



Cedar Rapids
Community School District
Cedar Rapids, Iowa
in the County of Linn, State of Iowa

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015



Cedar Rapids
Community School District
Excellence for All



Cedar Rapids Community School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

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December 14, 2015

To the Board of Education and Citizens of the Cedar Rapids Community School District:

We are delighted to submit to you the Comprehensive Annual Financial Report, (CAFR) of the Cedar Rapids Community School District, for the year ended June 30, 2015. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada.

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Cedar Rapids Community School District's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Reporting Entity

This report includes all entities or organizations that are required to be included in the School District's reporting entity. The District is not included in any other reporting entity, nor is any other entity included within this report. The basic criteria for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or a financial benefit/burden relationship. In addition, an organization, which is fiscally dependent on the primary government, should be included in its reporting entity.

A seven-member elected Board of Education who serve four-year terms governs the Cedar Rapids Community School District. The Board of Education is a policy-making and planning body whose decisions are carried out by school administrators.

The District is the second largest of Iowa's public school systems with a fiscal year 2015 certified enrollment of 16,843 students. The District operates a total of three regular high schools and one alternative high school, six middle schools, twenty-one elementary schools and an alternative education center. The District provides a full range of educational services appropriate to students in early childhood, pre-kindergarten and grades kindergarten through twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational

education; and numerous individualized programs such as specialized instruction for students at-risk and for limited-English-speaking students.

In addition to the elementary, middle school and high school programs offered in the District, there are additional opportunities for achieving success. Metro High School is an alternative school for students who function better in a less-structured environment. The District began participating in the Statewide Voluntary Preschool program in the 2008-2009 school year which provides a quality early childhood learning program for the District's three and four year old students. A Gifted and Talented learning program provides identified students at all levels an enriched and differentiated curricular program. The District has engaged in offering innovating learning experiences with new programs such as BIG, an innovative learning High School experience and its first elementary "magnet school" called Johnson STEAM (Science, Technology, Engineering, Arts and Music) Academy. The District has high hopes that these innovative learning experiences will be replicated with other innovative learning opportunities in the District to promote and increase student achievement.

The District also provides day care services for infants through age five and extended day programs for students in several of the school buildings through the District's Five Seasons Learning Centers program. The District is supported financially by state aid, property taxes, income surtaxes, local, state and federal grants for special projects, and local revenue received for tuition and other services.

Economic Condition and Outlook

Cedar Rapids is one of the largest cities in the world for corn processing. The grain processing industry is Cedar Rapids' most important sector, directly providing 4,000 jobs that pay on average \$85,000, and also providing 8,000 indirectly. Fortune 500 company Rockwell Collins is based in Cedar Rapids, and Aegon has its United States headquarters there. A large Quaker Oats mill, one of the four that merged in 1901 to form Quaker Oats, dominates the north side of downtown. Other large companies that have facilities in Cedar Rapids include Archer Daniels Midland, Cargill, General Mills, Toyota Financial Services and Nordstrom. Newspaperarchive, based in Cedar Rapids, is the largest newspaper archive in North America with a repository of more than 150 million pages assembled over 250 years; it was taken offline for two days by the 2008 flood.

Cedar Rapids is home to Orchestra Iowa, the Paramount Theatre, Theatre Cedar Rapids, and Brucemore, a National Trust Historic Site, among others. Cedar Rapids is also home to the Cedar Rapids Museum of Art, The Cedar Rapids Ceramics Center, Legion Art's CSPS Hall, the National Czech & Slovak Museum & Library, the African American Historical Museum, Kirkwood Community College's Iowa Hall Gallery, and the legendary Grant Wood Studio at 5 Turner Alley. These Cedar Rapids venues have recently hosted world class and award nominated exhibitions, including the works of Andy Warhol, Grant Wood, and the Iowa Biennial, among others. The Cedar Rapids Museum of Art houses the largest collection of Grant Wood paintings in the world. The 1920s Paramount Theatre is home to the Orchestra Iowa and the Cedar Rapids Area Theatre Organ Society. Concerts and events such as high school graduations, sporting events, exhibitions, and political rallies are held in the U.S. Cellular Center, formerly known as The Five Seasons Center.

The economy of Cedar Rapids has traditionally been based on the manufacture and processing of agricultural and food products, steel fabricating, tool and die making, and radios and electronics. Manufacturing, which continues to be an important economic sector, has been augmented by high-technology industries and transportation. The Cedar Rapids-Iowa City "Technology Corridor" is one of the leading centers in the country for the defense electronics industry; the fastest-growing segment of the metropolitan area economy is telecommunications and telemarketing. Advanced research and development laboratories, an educated and productive labor force, and a mid-continent location are increasingly attracting new business and industry to Cedar Rapids.

The city's association with high technology dates to the early years of Collins Radio Company. Today, Collins is part of Rockwell Collins, ranked as the largest employer in the Cedar Rapids-Iowa City region. The company provides aviation electronic and communication technology for government, aircraft manufacturers, and hundreds of airline customers. The company's aircraft electronics are used in almost every airline in the world. Additionally, Rockwell Collins' communication systems transmit almost 70 percent of all U.S. and allied military airborne communication.

In recent years, a number of local public and private organizations joined together to help develop the "Technology Corridor." This hub for technology companies is located throughout 12 communities in Johnson and Linn Counties. Its location near a number of colleges and universities enables Corridor companies to easily access education, training, research, and development. Local firms provide a variety of services such as electronic design and consultation, systems planning, equipment manufacturing, and telemarketing.

While Cedar Rapids has seen tremendous growth in technology, the city continues to succeed in attracting agricultural and food processing manufacturers. It is home to more than 275 different manufacturing plants, including Quaker Food and Beverages, which runs the world's largest cereal milling plant. Other top manufacturing employers include Amana Refrigeration Products, General Mills, Inc., and H.J. Heinz Company.

Items and goods produced: cereal, syrup, sugar, dairy, mining, and road machinery, boxboard and containers, automotive tools and machinery, radio electronics and avionics equipment, oil burners, furniture, pumps, gravel crushers, cranes, snow plows, electric-powered shovels, trailer parts, candy, office and drainage equipment, rubber goods, plastic bags, recycled corrugated cardboard, copper alloy and plastic molding, medical and chemical products, plumbing supplies, auto parts and toys, furnaces, livestock feed, structural steel, compressed gas, pharmaceuticals, avionics and earth-moving equipment, telecommunications equipment, and home appliances.

Cedar Rapids is a regional hub for Eastern Iowa because of its proximity to several of the country's largest metropolitan areas and major interstate highways. Cedar Rapids enjoys direct access to cities in the Midwest including Chicago, Minneapolis, Milwaukee, Omaha, St. Louis and Kansas City.

According to the US Census Bureau, Cedar Rapids has a population of 129,195 in 2014. According to information from Woods and Poole for 2015, 265,620 residents live in the greater Cedar Rapids metropolitan area. The Cedar Rapids metro area population has seen an increase of 3% since 2010.

According to Woods & Poole Economics, retail sales in the Cedar Rapids metropolitan area (as measured in 2009 dollars) increased from \$4.65 billion in 2014 to \$4.73 billion in 2015. The three largest sectors of retail sales were Non-Store Retailers at \$1.2 billion, Motor Vehicles and Parts at \$729.5 million and General Merchandise Stores at \$619.4 million.

Mean household income, (as measured in 2009 dollars) in the Cedar Rapids metropolitan area for 2015 was \$100,952 up slightly from \$99,886 in 2014. Income per capita, (also measured in 2009 dollars) shows an increase from \$42,771 in 2014 to \$43,359 in 2015. Total employment in the Cedar Rapids metropolitan area increased from 178,080 in 2014 to 180,500 in 2015. Not surprisingly, information from the Bureau of Labor Statistics, show a corresponding decline in unemployment rates in the Cedar Rapids metropolitan area from 4.4% in May 2014 to 3.5% in May 2015.

According to The Cedar Rapids Area Economic Alliance, single-family housing starts in the City of Cedar Rapids experienced an increase when compared to the prior year increasing from \$24,538,357 in 2013 to \$34,621,397 in 2014. Permits for 325 new single-family dwellings were issued in Cedar Rapids in 2014 compared to 242 permits issued the previous year. New multi-family housing starts in the City of Cedar Rapids dipped from \$22,663,344, (30 permits) in 2013 to \$10,432,216 (27 permits) in 2014.

Building permits issued by the City of Cedar Rapids for all "repairs, remodeling & additions" decreased from 3,993 permits valued at \$167,729,869 to 3,626 permits valued at \$106,637,834.

Recent District Highlights and Accomplishments

Listed below are just a few of the many recent highlights and accomplishments of District students, staff and community members!

Districts Team to Launch Iowa BIG

The Iowa BIG Partner Launch celebrated the unique collaboration between school districts and area businesses. The Cedar Rapids and College Community school districts will collaborate to offer the Iowa BIG Program to students. A Partner Launch event was held May 21, 2014 to celebrate the collaboration that also includes area organizations and businesses.

Iowa BIG is an opportunity for high school students to expand their learning outside the traditional classroom for part of the school day. An example of competency-based education, it focuses on the concepts of learner co-designed coursework; a demonstrated ability in both common content standards and 21st century skills; the development of skills necessary to work in diverse situations and relationships; design thinking to better understand how content, problems, and solutions are related; and community connection via resume-building projects and experiences.

Cedar Rapids Community Schools Presents First Green Team

On May 20, 2014 the District celebrated the accomplishments of the school teams with the first "Green Team Awards."

The District is promoting a "green movement." Green Teams have so far been formed at 23 schools, bringing together students, staff, and community members committed to making positive environmental changes in their schools, communities and daily lives. The District celebrated the accomplishments of the school teams on May 20 with the first "Green Team Awards."



Viola Gibson and Harrison Named Blue Zones Schools

Harrison and Viola Gibson elementary schools have been officially designated as Blue Zones Schools after meeting the criteria to earn them recognition for being committed to providing the best possible environment for students to learn and grow.

Both schools have implemented policies and programs which create a learning environment that supports well-being of students and staff including providing a tobacco-free campus, making changes to the lunchroom to help students choose healthier foods, prohibiting unhealthy food advertising on school grounds, incorporating lifestyle focused activities into physical education curriculum, creating a school garden and starting a Walking School Bus program.

Storms Damage District Facilities

Clean-up and repair continue after powerful thunderstorms moved through Cedar Rapids Monday night into Tuesday morning, June 16-17, 2015.

"While the District experienced storm damage, I am pleased with the response and outstanding work of our buildings and grounds and maintenance staff toward a rapid recovery," said Dr. Dave Benson, Superintendent. "It was also wonderful to see so many students and volunteers helping with clean-up efforts in the District and throughout the community."



Latest Learning Projects Named

iPads will be used in the AP Music Theory course at Kennedy High School. Two newly-announced innovative learning proposals brings the total number of projects identified so far to 13. Each supports a creative learning environment and was selected through a committee review process, students, community members, and staff.

"The proposal process is competitive due to the number and quality of staff ideas to enhance the learning environment for students," explained Lori Bruzek, Director of Technology. "While scoring plays a significant role, the committee also considers the number of students impacted, scope of project, cross-curricular connections, anticipated outcomes, and authenticity of technology use to help finalize their top recommendations." Funding for the Innovative Learning Projects comes from technology SAVE (Secure an Advanced Vision for Education).

Governor's Award to District Volunteers

More than 140 eastern Iowa individuals and groups were recognized with a 2014 Governor's Volunteer Award during a special recognition ceremony held June 17, 2014. The awards were presented by Iowa Governor Terry Branstad and Lt. Governor Kim Reynolds. Recipients included Anita Heaverlo, 2014 Outstanding Cedar Rapids Community School District Volunteer, and the Cedar Rapids PTA Council, also nominated for the recognition by the school district.

Gear Up Wraps Up

Gear Up concluded at the end of the 2013-14 school year. Among the 2014 graduates were students who participated in the GEAR UP Iowa program. Some 170 District students were involved in this grant-funded program, beginning as 7th graders at Roosevelt and Wilson middle schools.



Volunteers Continue to Step Up

Volunteers contributed 131,881 hours during the 2013-14 school year. There were 7,240 registered volunteers in the Cedar Rapids Community School District during the 2013-14 school year. These individuals generously contributed 131,881 hours of time in support of education. Calculated at the District's lowest para wage last year (\$11.50/hour) this support of education is a savings of \$1,516,631. The volunteer workforce outnumbered staff by more than 2 to 1!

PPEL Approved

On September 9, 2014, voters approved extension of the District's Physical Plant and Equipment Levy (PPEL). The PPEL has been supported by District voters for 40 years. The current levy expires on June 30, 2015. Renewal of a 10-year PPEL is at the rate of \$1.34 per \$1,000 of assessed valuation, beginning July 1, 2015. "We thank voters for turning out and participating in this election," said Dr. Dave Benson, Superintendent. "We appreciate the consideration that community members gave to the issue."

Kids on Course Adds a School

Kids on Course, a program fully funded by the Zach Johnson Foundation, will expand its reach to include Grant Elementary School with the start of the new school year.

"This is exactly what we were hoping for from day one," said Johnson, PGA Tour player and Cedar Rapids native. "That Kids on Course would make a big difference and then reach even more children and their families by working within more schools."

State of District Celebrates Innovations

Presentations by District administrators, teachers, and students helped to celebrate some of the learning and communication innovations happening in the Cedar Rapids Community Schools during the December 13, 2014 State of the District program. Some 200 elected officials, business leaders, parents, and community members attended the annual meeting, held at the Educational Leadership and Support Center.

Dr. Dave Benson, Superintendent, hosted the program, introducing videos and speakers to highlight the elementary foreign language program, Turnaround Schools, the BIG Ideas Program, the community conversation surrounding Magnet Schools, technology upgrades to parent/teacher/student communication, enrollment growth, and collaborations with the City. The breakfast event began with student entertainment from McKinley Middle School and also included a special student presentation of "What Does the Teacher Say," from Coolidge Elementary School fourth graders. Dr. Brad Buck, Director of the Iowa Department of Education, also addressed attendees, complementing the District on its initiatives and programming.

District recognized for Green Efforts

The District has been selected to receive a Governor's Iowa Environmental Excellence Award in the Environmental Excellence Energy category. The recognition indicates that our 'Green' efforts in the Cedar Rapids Schools are serving as a model for the entire state. The award will be presented by Governor Terry Branstad at an upcoming State event.

CR High Schools top ranked in Iowa AP Index

The 2015 Iowa AP Index has recognized the Top 50 Iowa high schools for providing Advanced Placement opportunities to Iowa's high school students. The top 50 list is compiled by the Belin-Blank Center at the University of Iowa. Washington High School was the top ranked Iowa high school on the Iowa AP Index and Kennedy High School was ranked second. Jefferson High School was 19th on the Top 50 list. Cedar Rapids Washington has been the top ranked high school since 2009.

Jackson Celebrates 20 Year Anniversary

This fall marks the 20th year since the re-opening of Jackson Elementary School. To commemorate, the school community enjoyed a week of special events, Dec. 9-13, including unique school announcements, a display from the archive collection, student-designed posters, and commemorative bracelets and t-shirts. The culmination was an all-school assembly that included a puppet show, comments from former principal Carl Carson and 2013 Iowa Teacher of the Year and former Jackson teacher Tania Johnson, and the singing of the school song.



Arthur and Garfield elementary schools celebrate 100 years

Special celebrations were held in honor of the 100th birthday of Arthur and Garfield elementary schools, as well as a 50th anniversary at Taft Middle School. These were wonderful events and provided great opportunities for students, staff, and families – current and former – to reflect on the rich history of success at each school. Congratulations to everyone involved!

Brad Buck named Superintendent

Dr. Brad Buck, current Director of the Iowa Department of Education, will become Superintendent of the Cedar Rapids Community School District on July 1. Buck was approved by the Board of Education during a special meeting March 18, 2015. He will succeed Dr. Dave Benson who is retiring in June after a six-year tenure with the District.

"We are thrilled to welcome someone of Dr. Buck's caliber as our superintendent," said Mary Meisterling, Board President. "He brings a breadth of leadership experience in many areas such as early literacy, closing the achievement gap, and competency-based education. He is also well-versed in school finance and budgeting. He most closely matched the list of skills and attributes that our community members highlighted during the public forums and through the online input survey. He is truly a wonderful fit!"



Buck, 45, is already familiar with the school district having grown up in Cedar Rapids, graduating from Cedar Rapids Jefferson High School in 1987. He went on to earn an undergraduate degree in biology from the University of Northern Iowa, and both a Master's degree and Ph.D. from Iowa State University.

Jefferson High School Academic Decathlon team excels in national competition

The Jefferson High School Academic Decathlon team of 8 Jefferson seniors represented the State of Iowa in the national contest held earlier this month and they finished in **THIRD PLACE**. This marked the 18th time in the past 19 years that Jefferson has represented the State of Iowa at the national competition.

Moody's affirms Aa3 rating and Removes Negative Outlook

On August 11, 2015 Moody's affirmed the Aa3 rating on Cedar Rapids Community School District's GO debt and removed the negative outlook. According to Moody's, the Aa3 rating reflects the District's improved reserve position; sizeable tax base with average socioeconomic profile in eastern Iowa (Aaa stable); and manageable debt burden and pension liabilities. Further, the removal of the negative outlook is due to substantial improvements in the District's previously narrow reserve levels. The District's financial position is expected to remain sound supported by recent expenditure reductions and revenue enhancements.

Budgetary Highlights

Budgetary Controls

The Board of Education annually adopts a budget on a basis consistent with generally accepted accounting principles. In accordance with state law, annual budgets are adopted for the General, Management, Student Activity, Physical Plant and Equipment (PPEL), Secure an Advanced Vision for Education, (SAVE), Debt Service, School Nutrition and Day Care Funds as a whole. Appropriations lapse at fiscal year-end and then are reappropriated for the next year, if necessary. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

By April 15 of each year, the budget must be adopted by an affirmative vote of a majority of the Board of Education for the fiscal year beginning July 1 through June 30, which immediately follows. Once adopted, the budget can be amended through the same process, with all budget amendments to be completed by May 31 of the budget year affected.

Expenditures during a school year may not exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District cost for that year plus the actual miscellaneous revenue received for that year plus the actual unspent balance from the preceding year.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. Combined budgeted expenditures from all District funds, Governmental and Proprietary, are “certified” based upon four functional categories. These four functional areas are instruction, support services, non-instructional programs and other expenditures.

It is the actual expenditures in each of these categories that are compared at year-end to the “certified” spending levels to determine whether or not the District has exceeded its certified budget in any one of these respective categories. For FY2015 the District did not exceed its certified budget in any one of these respective categories.

Additional information regarding budgetary legal compliance may be found in the Required Supplementary Information section following the Notes to the Financial Statements.

Long Term Financial Planning: A key part of the budgeting process is providing a five year forecast of General Fund revenues and expenditures. The most likely State revenue growth scenarios are identified and used in the forecast of future revenues. In addition, trends involving negotiated settlements with District employee groups are identified and used in quantifying expenditure forecasts. This long term financial outlook provides for critical information in which to make timely decisions involving the General Fund’s financial stability.

Budget Development Policies: In the fall of each year, the Board of Education reviews annually a document called the “Budget Assumptions.” The budget assumptions serve as the “financial policy foundation” from which decisions are made in preparation and formulation of the District budget for the upcoming budget year.

Long-term Financial Planning and Relevant Financial Policies

The District follows a multitude of Board Policies, Regulations and Procedures in regards to financial management. These regulations can be found on the District website at:

<http://www.cr.k12.ia.us/assets/1/6/Policyhandbook.pdf>

Board regulations provide guidance and direction in regards to budget preparation, budget adoption, sale of goods and services, purchasing, relations with district suppliers, the accounting system, Board financial reports, selection of a certified public accounting firm, payments for goods and services, borrowing funds, investments, credit card/procurement card purchases, and expense reimbursement to name a few.

The District’s Financial Solvency Ratio is a measure of financial health that resulted from the “Study of School Corporation Financial Operations” study conducted in 1990 by Ehlers and revised in 2011. The ratio of unassigned plus assigned general fund balance to actual revenues is defined in the following operational equation: (financial solvency ratio = unassigned plus assigned general fund balance / general fund revenues - AEA flow-through). The target ranges and classification criteria established by the Ehlers study are as follows: (a) target solvency position equals 5.00% through 10.00%, (b) acceptable solvency position equals 0.00% through 4.99%, (c) solvency alert equals -3.00% through -0.01%, and (d) solvency threat equals less than -3.00%. The District’s Financial Solvency Ratio increased from (0.80) % on June 30, 2013 to 1.75% on June 30, 2014 and to 4.87% on June 30, 2015.

The Board of Education monitors on a monthly basis, the District’s unspent balance forecast. The unspent balance is the official State prescribed measure of residual “spending authority” remaining on June 30th each year in the General Fund. The unspent balance forecast is recalculated monthly based upon changes in staffing as well as all other General fund budget line items on both the revenue and expense side. As anticipated, the District’s unspent balance decreased from \$10.6 million on June 30, 2013 to \$4.9 million on June 30, 2014. The unspent balance increased to \$5.8 million on June 30, 2015, the first increase in four years representing 3% of General Fund expenditures. While this is an improvement, the recommended level of spending authority reserves is 5-10% of General Fund expenditures according to the Iowa Association of School Boards.

The District, in its effort to be a good manager of public funds, competitively bids its banking/investment services. To maximize investment return while complying with Iowa Code Chapters 12B and 12C, related to allowable investments of the District's public funds, the District invested in savings accounts and bank certificates of deposit during the fiscal year ended June 30, 2015.

According to the Statement of Activities, Districtwide interest and investment revenue totaled \$157,334 for the year ending June 30, 2015. This compares to \$292,554 from the prior year. Lower fund reserve levels generating less investment revenue overall was the major contributor to this decline.

General Fund Budgetary Highlights

Of all Governmental Funds, the General Fund is by far the largest, approximately 64% of all Governmental Fund expenditures in the fiscal year. Due to the relative size of the General Fund it is important to point out a few important budgetary highlights and fund statistics for FY2015.

Planning for the fiscal year 2016 budget was very challenging. The decline in student enrollment since fiscal year 2009 of 5.2% or 903 resident students and low State allowable growth rates, (now referred to as State Supplemental Aid Growth) in per pupil funding of 2%, 0%, 2%, 2% and 4% in fiscal years 2011-2015 respectively and a 1.25% growth rate for fiscal year 2016 continued to add pressure to the General Fund budget forcing the District to look for additional savings.

A fiscal year 2016 budget adjustment package totaling \$2.37 million contains a combination of additional new revenues, general budget savings reductions, administrative reductions, normal staffing adjustments as well as commitments to new programs and services. These budget adjustments take into consideration the need to reverse the decline in spending authority reserves over the past 4 consecutive years that now comprise under 2% of overall General Fund budgeted expenditures. This is considered to be a very narrow margin.

The fiscal year 2016 budget adjustment package can be seen in **Exhibit E-1** on the following page. Categories 1-4 provide a combination of new authorized revenues and spending reductions totaling \$2.8 million, while additional spending for new programs and services totals \$0.44 million. A total of 16.65 full time equivalent (FTE) staff have been reduced exclusively through attrition.

General Fund Ending Balance Trends

The string of strong ending General Fund balances exceeding 9% of fund expenditures ended in FY2010 as can be seen in the General Fund ending balance trends listed below. The FY2015 ending fund balance of \$17 million or 8.9% of fund expenditures marks two consecutive years of increase in the fund balance position. This increase in fund balance was anticipated. The FY2016 budget reductions in **Exhibit E-1** reflect the District's continued commitment to improve the fund's reserve position in FY2016.

- FY06: \$18.8 million, or 12.7% of fund expenditures
- FY07: \$21.0 million, or 13.6% of fund expenditures
- FY08: \$23.3 million, or 14.5% of fund expenditures
- FY09: \$17.1 million, or 9.8% of fund expenditures
- FY10: \$6.9 million, or 3.8% of fund expenditures
- FY11: \$9.1 million, or 5.0% of fund expenditures
- FY12: \$11.1 million, or 6.1% of fund expenditures
- FY13: \$3.5 million, or 1.9% of fund expenditures
- FY14: \$7.7 million, or 4.1% of fund expenditures
- FY15: \$17.0 million, or 8.9% of fund expenditures

Fiscal Year 2016: General Fund Budget Planning Scorecard
State Growth of 1.25% SSA State Supplemental Assistance
Actual Employee Settlements 1.25% - 1.5%

Revised 8-18-15	<u>Dollars</u>	<u>FTE</u>
Incremental Changes to budget in FY2016		
1 Additional Revenue Sources		
1 Instructional material fee increase	\$22,574	
2 Estimated increase from \$321,654 to \$450,000 reimbursements, equipment breakdown insurance program	\$128,346	
3 Increase in Open Enrollment TLC (\$38,695 to \$80,359 - tuition in)	<u>\$41,664</u>	
Sub Total	\$192,584	0.0000
2 General Budget Savings		
1 Hire Down Savings (8 Year average FY2008 to FY2015)	\$341,364	
2 Reducing TLC Instructional Costs to balance	\$511,089	
3 Roosevelt Project Based Learning (Reduce budget from \$19.4k to \$9.4k)	<u>\$10,000</u>	
Sub Total	\$862,453	0.0000
3 Administrative ELSC Budget Savings		
1 Energy Savings Initiative	\$200,000	
2 Purchasing Savings: (Staffing re-alignment)	\$33,559	0.6000
3 Technology Retirement Savings - Technician Programmer	\$21,092	
4 BIG Administrative Staff re-alignment savings	\$38,134	1.5000
5 Transportation and Custodial savings: Utility Driver and Custodian ELSC	\$52,044	1.0000
6 Purchasing Savings: (Copy machine operational costs) switching from Premier Office Equipment to Marco	\$44,470	
7 Building & Grounds Savings: Staff re-alignment (preliminary estimate)	\$86,133	1.0000
8 OLL Administrative Re-alignment	\$23,588	2.0000
9 Executive Council No Increase in compensation for FY2016	\$164,728	
10 Managed Print Savings (Marco)	\$85,000	
11 OLL Confidential Secretary Retirement Savings	\$38,669	
12 Leases: Shift payment from General Fund to SILO Fund: Four Oaks-Bertram @ \$70,216 Transition Center @ \$41,857	\$112,073	
13 Reduce Kindergarden Para from .75 to .5 FTE at Grant Wood Elementary (Chris M. to quantify savings)	<u>\$7,217</u>	0.2500
Sub Total	\$906,707	6.3500
4 Normal Staffing Adjustments (Savings) - Certified		
1 Counselor Retirement Savings	\$164,031	2.0000
2 High School Staff 3.0 FTE	\$220,836	3.0000
3 Music .6 FTE Elementary & .2 FTE High School	\$58,890	0.8000
4 Elementary Core Teachers 4.0 FTE	\$294,448	4.0000
5 Elementary Media Specialists 1.5 FTE	<u>\$110,418</u>	1.5000
Sub Total	\$848,623	11.3000
5 Known New/Additional Programs & Services		
1 Middle School SRO(s) Assumption 2 @ \$132k ea. CRPD pays for 1 CRPD pays for 1	(\$132,000)	
2 Concurrent Enrollment KCC increased participation in FY16 (FY14 loss -\$151k, FY15 loss -\$231k, FY16 loss -\$311k)	(\$80,000)	
3 Increase in Open Enrollment TLC (\$92,646 to \$226,326 - tuition out)	(\$130,920)	
4 Elementary Principal Re-Alignment	(\$27,979)	
5 On-Line learning pilot (1.0 FTE Average Certified Staff member)	(\$73,612)	(1.0000)
Sub Total	(\$444,511)	(1.0000)
FY2016 Total Score Card Adjustments (Net Savings)	\$2,365,856	16.6500

Notes:

*Authority Deficit trend is based upon:

FY2016 State Supplemental Aid (SSA) @ 1.25%

FY2016 Actual Employee settlements @ 1.25% - 1.5%

Excludes all scorecard adjustments

*Elementary Spanish note: No increase costs for Elementary Spanish in FY16. Program will be provided for grades 1-5

General Fund Statistics

- General Fund expenditures, excluding other financing uses, totaled \$190.6 million for the fiscal year compared with \$185.4 million in FY2014, representing an increase of \$5.2 million or 2.8% over the prior year.
- General Fund revenues, excluding other financing sources, totaled \$197.7 million for the fiscal year compared with \$188 million in the previous year, representing an increase of \$9.7 million or 5.2% over the prior year.

- The two largest revenue categories of the General Fund were Local Taxes, (property tax, and income surtax) at \$70.9 million and State Foundation Aid at \$80.3 million. These two categories alone make up 76.5% of all General Fund revenues collected, (excluding other financing sources).

SAVE Budgetary Highlights

On September 11, 2006 the Board of Education approved an administrative recommendation to pursue a one-cent School Infrastructure Local Option Tax (commonly known as SILO). The SILO was developed by the Iowa Legislature in the mid-1990s to give school districts a revenue-producing alternative to property tax for infrastructure and technology needs.

Voter approval of the SILO tax in Linn County on February 13, 2007 provided for ten years of funding for infrastructure, property tax relief and investment in technology. However, in May 2008, HF2663, (House File) was signed into law by the Governor providing SAVE (Secure an Advanced Vision for Education) funding to all Iowa public schools on a statewide basis until December 31, 2029. This new law overrides the original voter approval term, thus providing for an additional 12 years of SAVE funding to the District.

On September 8, 2009, District voters approved a new SAVE Revenue Purpose Statement (RPS) as required by State law. The RPS allowed the District to use SAVE funding after June 30, 2017 to continue investing in District infrastructure and technology while allowing for property tax relief. It is estimated that the District will receive \$370.7 million in SAVE revenues from inception of the SAVE tax in Linn County through December 31, 2029.

Legal uses for SAVE Tax Funds

According to the Iowa Code, uses for SAVE tax funds and interest are limited to infrastructure purposes, including:

- Construction, reconstruction or repair.
- Purchasing or remodeling schoolhouses, stadiums, gyms, field houses and bus garages.
- Procurement of schoolhouse construction sites and making of site improvements.
- Payment or retirement of bonds issued for school infrastructure purposes.
- Payment of negotiable interest-bearing bonds issued by school board action.
- Any PPEL or PERL purpose.
- Property tax relief for PPEL or PERL levies.

Reporting SAVE Financial Activity

For purposes of this financial report, all SAVE financial activity is reported in the Capital Projects fund.

Planned Use of SAVE Funds

The District plans to use the SAVE revenue in three areas: property tax relief, technology for classrooms and District infrastructure needs.

Property Tax Relief: SAVE tax dollars will be used to help retire existing debt related to a voter approved bond referendum in December 2000. In fiscal year 2008, \$2 million was used for local property tax relief with an additional \$4 million in fiscal years 2009 through 2015. In total, \$40 million will be used for this purpose through June 30, 2018.

Technology for Classrooms

Total actual and allocated investment in technology through December 31, 2029 is \$53.9 million. These resources will provide for the following needs:

- Computing devices (new\refresh computers, laptops, tablets, mobile labs, etc)
- Classroom resources (currently interactive whiteboard\projectors)
- Network switches, Wireless network controllers, APs, etc
- Servers, Data Storage (SAN), Backup System
- Telephony\unified communications systems
- Fiber WAN network (final costs of initial construction, maintenance/repairs, additional connections)

District Infrastructure Needs

Total planned investment in District Infrastructure is \$156.1 million since SAVE inception through December 31, 2029. Infrastructure investment is largely related to the “original” projects promised voters in February 2007 as well as SAVE funded flood recovery projects related to the flood of 2008, ADA and other building safety improvements.

To date SAVE funds have been used to provide plumbing, wiring, lighting and other facility upgrades at Kingston Stadium. New energy efficient geothermal Heating and Air Conditioning systems have been completed at Kennedy High School, Taft Middle School and Harding Middle School. Work is completed with Jefferson High School's new geothermal HVAC and window wall systems investment. Washington High School is also receiving the same investment with completion expected in September 2015. An IMC addition project was completed in September 2014 at Grant Elementary school. Installation of a new geothermal HVAC system and new exterior energy efficient windows was also completed at Hiawatha Elementary school in August of 2015.

SAVE Unobligated Reserves

As of August 26, 2015, total estimate SAVE unobligated reserves total \$66.4 million. This amount accounts for all planned expenditures for property tax relief, technology investment and District infrastructure needs described above. In addition, the District has set aside reserves as required by the Department of Natural Resources for the potential need to provide for reinjection systems to the existing Geothermal “pump and dump” designed system currently in operation.

Facilities Master Plan

In August 2012, the District embarked upon the development of a ten year comprehensive Facilities Master Plan that was completed and reported to the Board of Education on April 8, 2013. Total infrastructure needs totaling \$425 million are as follows:

Basic Operations and Maintenance: \$200 million
Identified projects within existing facilities: \$120 million
Predicted new facility needs: \$105 million

Passage of the increased PPEL levy on September 8, 2014 will bring in an additional \$3.5 million annually to provide total annual PPEL funding of \$8.4 million that will be devoted to Basic Operations and Maintenance needs over the next ten years through 6-30-2025.

Details of the District's ten year comprehensive Facilities Master Plan may be found at:

<http://www.cr.k12.ia.us/departments-services/facilities-master-plan/>

Enterprise Operation Budgetary Highlights

Nutrition Services Fund

Revenues which include operating revenues, non-operating revenues, transfers in and capital contributions totaled \$7,984,221 compared to \$8,063,879 in the previous year representing a decline of \$79,658 over the fiscal year 2014 amount. Expenses which include operating expenses and transfers out totaled \$7,818,908 compared to \$8,299,071 in the previous year representing a decrease of \$480,163 from the fiscal year 2014 amount.

Net position was \$322,867 at June 30, 2015 up from \$157,554 in the prior fiscal period. The beginning net position has been restated downward from \$2,531,122 to \$157,554, (a reduction of \$2,373,568) to comply with GASB68 which requires the District to restate the fund balance to reflect fund's theoretical share of IPERS pension liabilities.

Meal prices were increased for FY2015 in order to comply with the Paid Lunch Equity provision of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) as well as respond to increased costs for food and labor. The Food and Nutrition Department increased breakfast prices by \$0.10 for elementary and \$0.10 for secondary schools. Additionally, lunch prices increased \$0.10 for both elementary and secondary schools.

Net position remains relatively strong in the Nutrition Services Fund. These resources will play a vital role in the continuation and perhaps acceleration of the replacement of aging kitchen equipment at many locations in our District.

Day Care Services Fund

Day care related financial activity had been reported within the District's General Fund prior to fiscal year 2007. During fiscal year 2007, the District assumed full accounting responsibilities for the Rockwell Day Care program. As a result of this operating change, the District began transferring reporting of all day care expenses and revenues related to both Rockwell and Five Seasons Day Care programs into a separate Day Care Fund. This reporting shift was fully implemented in fiscal year 2008.

Revenues which include operating revenues, non-operating revenues, and transfers in totaled \$4,680,064 compared to \$4,615,494 in fiscal year 2014. Expenses which include operating expenses and transfers out totaled \$4,427,132 compared to \$4,479,761 in fiscal year 2014.

Net position was -\$1,761,343 at June 30, 2015 compared to -\$2,014,275 in the prior fiscal period. The beginning net position has been restated downward from \$243,761 to -\$2,014,275, (a reduction of \$2,258,036) to comply with GASB68 which requires the District to restate the fund balance to reflect fund's theoretical share of IPERS pension liabilities.

The District serves as the fiscal agent for the Rockwell Daycare program which is financially guaranteed by Rockwell Collins Corporation. The Five Seasons Daycare program is the District's self-sustaining childcare program.

Other Financial Highlights

Property Taxes: As can be seen in the property tax levy rate trends below, the FY2011 levy rate increased substantially over the previous fiscal year in large part to rebuild cash reserves that were depleted as a result of a 10% across the board reduction in State Aid funding that was imposed during FY2010. For fiscal years 2008 through 2015, the District used a total of \$30 million in SAVE revenues for property tax relief. For FY2016 the District will use an additional \$4 million in SAVE revenues for property tax relief.

When planning the budget for fiscal year 2016, maintaining critical instructional programs while implementing necessary staff reductions to stabilize General Fund reserves was the District's key focus. The General Fund Budget adjustment package, (a combination of planned expenditure reductions and revenue increases totaling \$2.4 million) was the key component of the budgeting process. Details of this adjustment package are included in the Transmittal letter of this report. The District's property tax rate is down \$0.10 for fiscal year 2016.

Total District Property Tax Levy Rate Trends

o Fiscal Year 2009:	\$13.78	(per \$1,000 of taxable valuation)
o Fiscal Year 2010:	\$13.92	
o Fiscal Year 2011:	\$15.17	
o Fiscal Year 2012:	\$15.16	
o Fiscal Year 2013:	\$15.16	
o Fiscal Year 2014:	\$15.48	
o Fiscal Year 2015:	\$15.48	
o Fiscal Year 2016:	\$15.38	

Total District property taxes collected in FY2015 were \$77,335,543 an increase of \$1,209,400 from FY2014 when \$76,126,143 in property taxes were collected.

Debt Administration:

On June 30, 2015 the District had \$125.6 million in outstanding long term debt for funding infrastructure from the following issuances:

- \$31,385,000 General Obligation School Refunding Bonds dated March 1, 2006 and payable through June 30, 2021.
- \$30,000,000 in local option sales tax (SAVE) backed revenue bonds dated July 1, 2010 and payable through January 1, 2030.
- \$11,842,641 in federally subsidized zero/low interest Qualified School Construction Bonds (QSCB) dated December 1, 2010 and payable through July 1, 2028.

- \$9,000,000 in local option sales tax (SAVE) backed revenue bonds dated July 7, 2014 and payable through June 30, 2018.
- \$56,600,000 in local option sales tax (SAVE) backed refunding bonds dated June 6, 2015 and payable through June 30, 2026.

Instructional School Building Statistics

The Cedar Rapids Community School District owns and maintains 21 elementary schools, 6 middle schools and 4 high schools, (three comprehensive and one alternative) and an alternative education center for special needs students. The age of District's elementary buildings ranges from 13 to 101 years with an average age of 57 years. The age of the District's middle school buildings ranges from 50 to 93 years with an average age of 74 years. The age of the District's high schools ranges from 47 to 56 years with an average age of 51 years. Metro High School, the District's alternative high school is 44 years old. Additional details regarding school buildings can be found in the Statistical Section of this report. According to the District's property insurer, the total replacement value for all District owned buildings is \$468,458,394.

Factors bearing on the District's Future

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

Student Enrollment: Future enrollment stability is a critical element in maintaining a sound financial foundation. District enrollments were at an all-time high of approximately 25,000 students in the 1969-1970 school year. Since then District enrollments have declined by about one third. Student enrollment was enormously impacted by the flood of 2008. On June 11-14th 2008, the City of Cedar Rapids experienced a flood event of epic magnitude. On June 13th the Cedar River crested at 31.13 feet, a full 10 feet higher than the previous flood record established in 1929. The flood damaged an estimated 5,390 homes, 1,133 businesses and 486 non-profit organizations. The floods and tornadoes that ravaged the state in 2008 caused \$1.1 billion in damage to public facilities. Based solely on financial public assistance estimates, that made Iowa the fifth largest state disaster in US history behind Hurricane Katrina in Louisiana, the 9/11 Terrorist Attack, Hurricane Katrina in Mississippi and Hurricane Wilma in Florida. The Cedar Rapids Community School District's damages to District owned property and contents were \$33.5 million which included damage to 8 locations. An estimated 1,800 District students were displaced as a result of the flood event.

Since the flood event, the District experienced enrollment losses in six out of seven years (October 2008 to October 2014) with enrollment losses amounting to 903 resident pupils representing 5.1% of total enrollment. Resident student enrollment stands at 16,843 as of October 2014. It is believed that the long term enrollment losses related to the flood have ended and that enrollments should hold stable to slightly growing in the near term. Funding for Iowa Schools is directly tied to student enrollment. Declining enrollment equates to declining revenues. The District will continue watching this key factor that has had significant impact upon the District's financial position.

Low to No growth in State funding: For five consecutive fiscal years from FY2006 to FY2010, the State of Iowa increased general program funding to public schools by 4% each year. Due in large part to the impact of the national and consequently State of Iowa economic recession, growth in State Aid to schools has been at historic lows. Funding growth has been as follows: FY2011: 2%, FY2012: 0%, FY2013: 2%, FY2014: 2%, FY2015: 4% and FY2016: 1.25%. The consequences of these low growth rates have placed enormous financial pressure upon the budget forcing the District to make General Fund spending reductions.

Growth in Wages and Benefits vs Growth in General Fund Revenues: Growth in District employee wages and benefits have outpaced State funding to the District. Collective bargaining laws in the State of Iowa make it challenging for public schools to settle employment contracts commensurate with funding growth. Currently State law does not allow consideration of "ability to pay" as an argument in favor of aligning growth of compensation to growth of State revenues to schools. In Districts such as Cedar Rapids where enrollment declines have intensified the effects of low State funding growth, the inability to legally argue ability to pay, has led to average employee settlements that have exceeded funding growth in 8 of the last 10 years. Because wages and benefit costs represent 80% of all expenditures, this

disparity between funding growth and compensation growth is a critical consideration. On a positive note, for FY2016 employee settlements averaged 1.17% (with District administrators taking no increase in compensation) largely pacing District growth in State supplemental aid of 1.12%. Continued vigilance in this area will be key to budget stability.

Missed Budget Reduction Targets: Planned General Fund budget reduction targets in FY's 2012 and 2013, designed to stabilize fund reserves in response to declining enrollment and low growth in State funding were not fully implemented. The planned "repeated annual" savings not realized as a result of missed budget reduction targets totaled \$4.3 million and further exacerbated declining reserves. Adherence to FY2014 and FY2015 budget reduction targets were vastly improved. Monitoring adherence to FY2016's budget reduction targets will continue to be very important.

State Funding Reductions: In fiscal year 2002 and again in fiscal year 2004, the state cut, at mid-year, state aid to schools by 4.3% and 2.5% respectively. The impact upon the Cedar Rapids Community School District totaled approximately \$4.6 million in funding cuts. On October 8, 2009, the Governor announced an across the board reduction in state funding to all state supported agencies of 10%. This equated to a cut of \$8.4 million for the District in fiscal year 2010. For fiscal year 2011, the State underfunded State Aid to the District by \$5.8 million. These state funding cuts forced the District to spend General Fund reserves to supplement the losses in the short term. In the long term, General Fund budget reductions and increases in the General Fund cash reserve levy to help replace lost fund reserves are the consequences of these State funding actions.

SAVE Funding: Voter approval of the SILO tax in Linn County on February 13, 2007 provided for ten years of funding for infrastructure, property tax relief and investment in technology. However, in May 2008, HF2663, (House File) was signed into law by the Governor providing SAVE (Secure an Advanced vision for Education) funding to all Iowa public schools on a statewide basis until December 31, 2029. This new law overrides the original voter approval term, thus providing for an additional 12 years of SAVE funding to the District. Due to passage of HF2663, it is estimated (based upon a 1% revenue growth rate assumption) that total revenues related to SAVE through December 31, 2029 will be \$370.7 million. SAVE revenues are tied to student enrollments and given the District's recent history of declining student enrollments, future SAVE revenues could be adversely impacted.

Health Insurance: Though the District has not experienced significant increases in health insurance premiums as it did in fiscal year 2006 when premiums increased over 16%, future health insurance costs remain a concern for the District. For fiscal years 2007 and 2008, health insurance premiums increased by 4.3% and 1.8%, respectively. For fiscal years 2009, 2010 and 2011 there were no premium increases. In fiscal years 2012, 2013, 2014 and 2015 premiums increased 3.6% 6.4%, 3.5% and 7.4%, respectively. For fiscal year 2016 some rates actually decreased 17% (HMO Basic) while others increased as much as 3.5% (PPO Choice). Health insurance rates will continue to be a key budgetary factor that will be closely monitored.

Property Tax Collections: In recent years, an increasing number of commercial property owners have successfully appealed and lowered their property assessments and have effectively reduced their tax burden. Unfortunately, a reduction in property tax collections, some retroactive, has adversely impacted the District's tax receipts. In the 2013-14 legislative cycle, the State legislature enacted a property tax relief measure for commercial property owners that will provide some benefit.

National and State Economic Conditions: The state of the national economy has historically influenced the state of the State economy. While it appears that the economy has improved at both national and State levels, future funding to schools in Iowa will undoubtedly continue to be directly affected by our economy.

Internal Control Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to

be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In FY2011, the District implemented improvements in internal control in response to a financial fraud that was verified by a special audit report by the State Auditor's office dated April 2, 2010. The District's improved internal controls can be found in the Fiscal Accountability section of the District's webpage at:

<http://www.cr.k12.ia.us/departments-services/accounting/>

As a recipient of federal, state and local financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit requirements, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the District has complied with applicable laws and regulations.

Independent Audit The Code of the State of Iowa requires an annual audit of the District to be performed by an accounting firm selected in a competitive bid process. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the requirements of the 1996 Amendment to the Single Audit Act, and related OMB Circular A-133. The auditor's report on the basic financial statements and combining and individual fund statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in a separate section for internal controls and compliance.

Certificate of Excellence in Financial Reporting The Government Finance Officers Association of the United States and Canada, (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International, (ASBO) awards a Certificate of Excellence in Financial Reporting. The Cedar Rapids Community School District received both of these Certificates for its comprehensive annual financial report for the fiscal year ending June 30, 2014. This was the twentieth consecutive year that the District has earned both prestigious awards. Each Certificate is a prestigious national award, recognizing conformance with the highest standards for preparation of governmental financial reports.

In order to be eligible to receive the Certificates, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, (CAFR) whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

These Certificates are valid for a period of one year only. We believe that our current CAFR continues to meet the requirements for both awards and therefore, we are submitting it to GFOA and ASBO to determine its eligibility for each Certificate.

Acknowledgments The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This report would not have been possible without the help of many people. We would like to express our appreciation to District staff, and public employees at various Linn County agencies who assisted in providing valuable information to RSM US LLP the District's independent auditor in the preparation of this report.

Finally, sincere appreciation is extended to the Board of Education, where the commitment to excellence begins. It is with great pride that this year's Comprehensive Annual Financial Report is submitted to the Board of Education.



Steve Graham
Executive Director of Business
Services, Board Treasurer



Dr. Brad Buck
Superintendent of Schools



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Cedar Rapids Community
School District, Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Cedar Rapids Community School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards

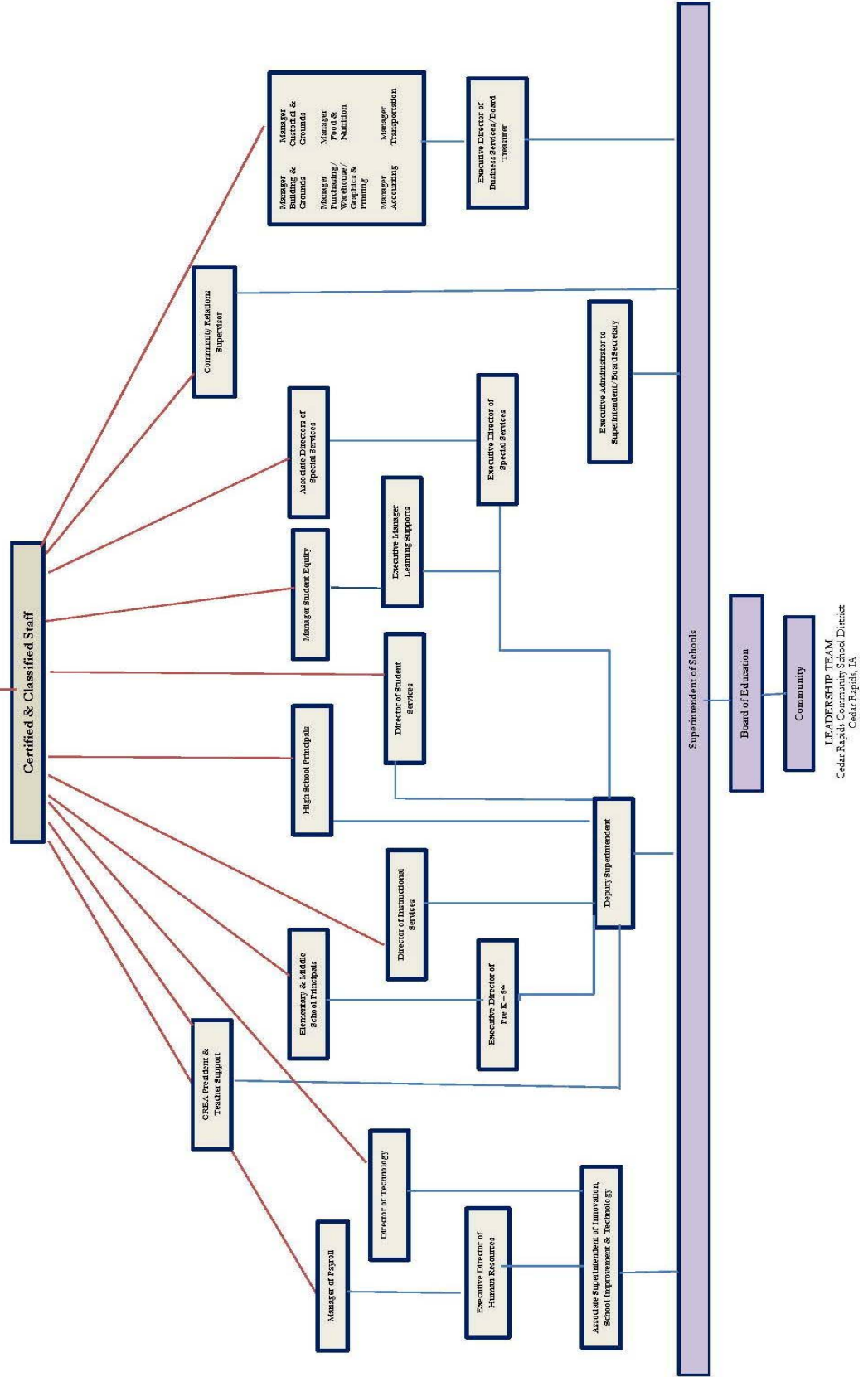


A handwritten signature in black ink, appearing to read "M. Pepera", is written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read "John D. Musso", is written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Cedar Rapids Community School District

**Board of Education and District Officials
Year Ended June 30, 2015**

Name	Title	Term Expires
Board of Education (Before September 2015 election)		
Mary Meisterling	President	2015
Allen Witt	Vice-President	2015
Nancy Humbles	Director	2017
Ann Rosenthal	Director	2015
Gary Anhalt	Director	2017
John Lavery	Director	2015
Keith Westercamp	Director	2017
Board of Education (After September 2015 election)		
John Lavery	President	2019
Gary Anhalt	Vice-President	2017
Nancy Humbles	Director	2017
Rafael Jacobo	Director	2019
Kristen Janssen	Director	2019
Mary Meisterling	Director	2019
Keith J. Westercamp	Director	2017
District Officials		
Dr. Brad Buck	Superintendent	
Laurel Day	Board Secretary	
Steve Graham	Board Treasurer	

Independent Auditor's Report

RSM US LLP

To the Board of Education
Cedar Rapids Community School District
Cedar Rapids, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Rapids Community School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cedar Rapids Community School District as of June 30, 2015, 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.

Emphasis of Matter

As explained in Note 16 to the basic financial statements, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which restated beginning net position, net pension liability and deferred outflows of resources of the governmental activities, business-type activities and enterprise funds.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 16, budgetary comparison information on pages 54 through 56 and the Iowa Public Employees' Retirement System schedule of the District's proportionate share of the net pension liability on page 58, the Iowa Public Employees' Retirement System schedule of District contributions on page 57 and the schedule of funding progress for the District's other postemployment benefit plan on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The statement of revenues, expenditures and changes in fund balance, major fund – General, combining nonmajor fund financial statements, statement of changes in fiduciary assets and liabilities – agency fund and the accompanying schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations*, listed in the table of contents as supplementary information, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.

RSM US LLP

Cedar Rapids, Iowa
December 4, 2015

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

This section of the Cedar Rapids Community School District's Comprehensive Annual Financial Report presents its "discussion and analysis" of the District's financial performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

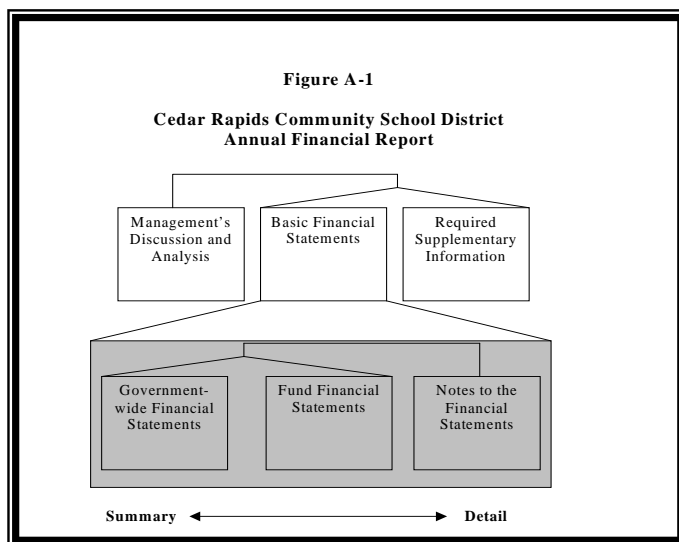
Overview of the Financial Statements

- This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:
- The first two statements are **Government-wide financial statements** that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are **fund financial statements** that focus on individual parts of the District, reporting the District's operations in more detail than the Government-wide statements.
- The **governmental funds statements** tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- **Proprietary funds statements** offer short and long-term financial information about the activities the District operates like businesses, such as food services.
- **Fiduciary funds statements** provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

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

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



Government-Wide Financial Statements

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

The two Government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the District's financial health or position.

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

Figure A-2: Major Features of the Government Wide and Fund Financial Statements				
	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services is included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues expenses and changes in fund net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service and day care programs would be included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, (such as repaying its long-term debts) or to show that it is properly using certain revenues, (such as federal grants).

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The District has three kinds of funds:

- **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information following the governmental funds statements explains the relationship (or differences) between them.
- **Proprietary funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Government-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds*, (the other kind of proprietary fund) are optional and available to report activities that provide supplies and services for other District programs and activities. At this time the District chooses not to use any internal service funds.
- **Fiduciary funds:** The District is the trustee, or *fiduciary*, for assets that belong to others, such as a scholarship fund. The District accounts for outside donations to specific District schools for specific purposes in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

A decrease of 72.4 percent or \$78 million in the District's net position is evidenced in Figure A-3. Net Position declined significantly in FY2015 for both Governmental and Business type activities due to the

Figure A-3
Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2014	2015	2014	2015	2014	2015	2014-2015
Current and other assets	\$155.4	\$168.1	\$2.7	\$2.6	\$158.1	\$170.7	8.0%
Capital assets	192.3	202.7	0.8	1.0	193.1	203.7	5.5%
Total assets	347.7	370.8	3.5	3.6	351.2	374.4	6.6%
Pension related amounts	0.0	15.2	0.0	0.8	\$0.0	\$16.0	0.0%
Deferred amount on refunding	0.0	3.8	0.0	0.0	\$0.0	\$3.8	0.0%
Total deferred outflows	0.0	19.1	0.0	0.8	0.0	19.8	0.0%
Current liabilities	35.0	37.2	0.6	0.6	35.6	37.8	6.2%
Noncurrent Liabilities	124.1	205.8	0.0	3.7	124.1	209.5	68.8%
Total liabilities	159.1	243.0	0.6	4.2	159.7	247.3	54.8%
Property taxes	77.2	77.3	0.0	0.0	77.2	77.3	4.3%
Income surtaxes	6.5	7.3	0.0	0.0	6.5	7.3	12.6%
Pension related amounts	0.0	31.0	0.0	1.5	0.0	32.5	0.0%
Total deferred inflows	83.7	115.7	0.0	1.5	83.7	117.2	40.0%
Net position							
Net investment in capital							
Assets	83.9	88.9	0.8	1.0	84.7	89.9	6.2%
Restricted	26.8	20.7	0.0	0.0	26.8	20.7	-22.8%
Unrestricted	(5.8)	(78.4)	2.1	(2.5)	(3.7)	(80.8)	2084.5%
Total net position	\$104.9	\$31.2	\$2.9	(\$1.4)	\$107.8	\$29.8	-72.4%

Note: totals may not add due to rounding and may differ slightly from the amounts reported in the Basic Financial Statements due to rounding differences.

impact of GASB68 compliance and a resulting impact of a new net pension liability of \$77,911,095 (based upon a discount rate of 7.5%) shared between Governmental and Business type activities at \$74,233,692

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and Business type activities at \$3,677,403. This can be seen within the \$85.4 million - 68.8% increase in Noncurrent Liabilities from the previous year. Combined total assets increased by 6.6 percent or \$23.2 million. An increase of 8% or \$12.6 million in Current and other assets was related to an increase in cash and cash equivalents influenced by improvements in the General Fund cash position.

Changes in Net Position, as shown in Figure A-4, show that the District as a whole experienced an increase of \$22.9 million in net position. This compares to a \$9.6 million increase in net position in the

Figure A-4

Changes in Net Position from Operating Results (in millions of dollars)

	Governmental Activities		Business-type Activities		Total School District		Percentage Change
	2014	2015	2014	2015	2014	2015	2014-2015
Revenues							
Program revenues							
Charges for services	\$10.6	\$11.0	\$7.5	\$7.5	\$18.1	\$18.4	1.9%
Operating Grants & Contributions	29.5	36.6	5.0	5.0	34.5	41.6	20.6%
Capital Grants & Contributions	0.8	0.1	-	-	0.8	0.1	-83.4%
General revenues							
Taxes	99.4	101.0	-	-	99.4	101.0	1.6%
State formula aid not restricted	79.1	82.1	-	-	79.1	82.1	3.8%
Other	1.4	3.8	0.1	0.1	1.5	3.9	160.1%
Total revenues	220.8	234.5	12.6	12.6	233.4	247.1	5.9%
Expenses							
Instruction	\$130.9	\$125.9	-	-	\$130.9	\$125.9	-3.8%
Pupil & Instructional Services	16.9	20.5	-	-	16.9	20.5	21.4%
Administrative & Business	23.8	22.2	-	-	23.8	22.2	-6.5%
Maintenance & Operations	19.8	23.6	-	-	19.8	23.6	19.3%
Transportation	7.7	7.3	-	-	7.7	7.3	-5.4%
Other	12.2	12.9	12.5	11.8	24.7	24.7	-0.1%
Total expenses	211.3	212.4	12.5	11.8	223.8	224.2	0.2%
Excess before transfers	\$9.5	\$22.1	\$0.1	\$0.8	\$9.6	\$22.9	
Transfers In	0.2	0.4	-	-	0.2	0.4	94.0%
Transfers out	-	-	(0.2)	(0.4)	(0.2)	(0.4)	94.0%
Total transfers	0.2	0.4	(0.2)	(0.4)	-	-	0.0%
Increase in net position	\$9.7	\$22.5	(\$0.1)	\$0.4	\$9.6	\$22.9	138.5%
Net Position - Beginning	\$95.3	\$8.8	\$3.0	(\$1.9)	\$98.3	\$6.9	
Net Position - Ending (Initial)	\$105.0		\$2.9		\$107.9		
Net Pension Liability at June 30, 2014	(107.2)		(5.3)		(112.5)		
Deferred outflows (2)	10.9		0.5		11.5		
Net Position - Ending (FY14 Restated)(1)	\$8.8	\$31.2	(\$1.9)	(\$1.5)	\$6.9	\$29.8	332.0%

Notes: (1) As a result of the adoption of GASB 68 & 71, the beginning net positions of both Governmental activities and proprietary activities were restated. (2) Outflows of resources related to contributions made after the June 30, 2013 measurement date.

Totals may not add due to rounding and may differ slightly from the amounts reported in the Basic Financial Statements due to rounding differences.

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previous fiscal year. Total revenues increased by 5.9% over the prior period driven largely by increases in grants and interest earnings on investments. Total expenses increased slightly by 0.2% over the prior year with decreases in the categories of Instruction, Administrative & Business and Transportation offset by increases in Pupil & Instructional Services and Maintenance & Operations. Unique to FY2015 is the restatement of the beginning net position as a result of compliance with GASB 68 & 71. The net pension liability related to compliance with these new GASB pronouncements decreased net position significantly in both Governmental and Business Activities.

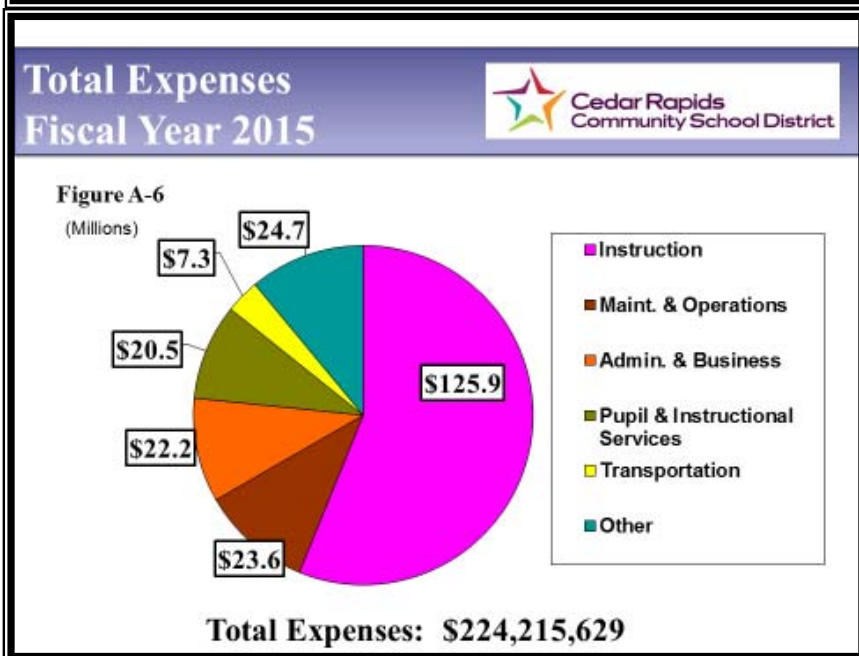
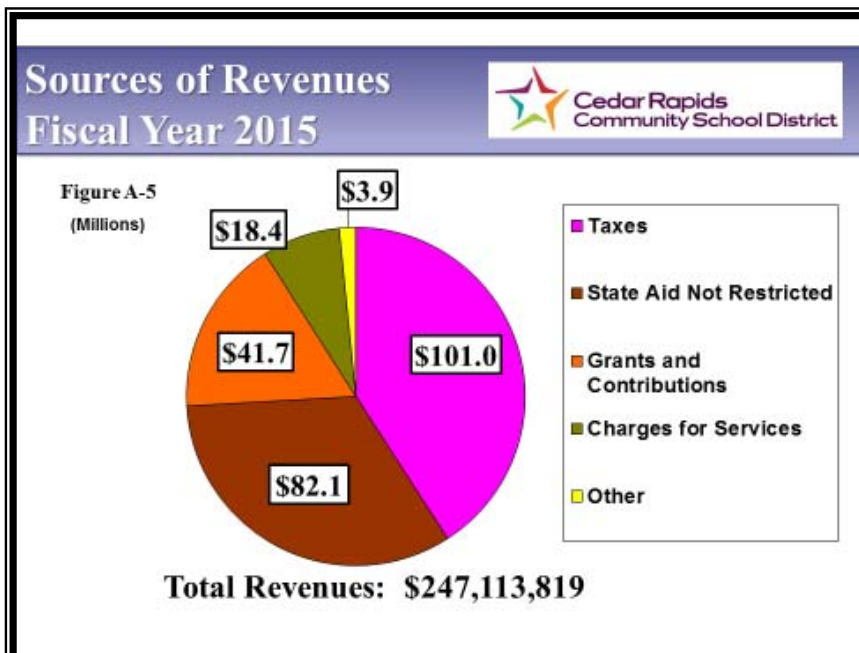
Figure A-5 shows the sources of total District revenues. Local Taxes, is the District's largest revenue source, comprising 41% of District revenues. State Foundation Aid, the District's second largest, comprising 33%. Grant revenues from Federal, State and local sources, which continue to play a very important role in funding District programs, represents 17% of District revenues. Charges for services, largely tuition charges, comprise 7% of District revenues.

Figure A-6 shows total District expenses. As can be seen, the majority of District resources (65%) are devoted to direct Instruction and Pupil & Instructional Services.

The "Other" expense category is represented by Investments in community services, interest on long term debt and AEA flow through.

AEA flow through expenses of \$7.2 million represent state mandated "flow through" funding support to Grant Wood Area Education Agency.

Grant Wood AEA is an intermediary educational unit providing instructional support to 32 public school Districts and 34 nonpublic schools in eastern Iowa.



Cedar Rapids Community School District

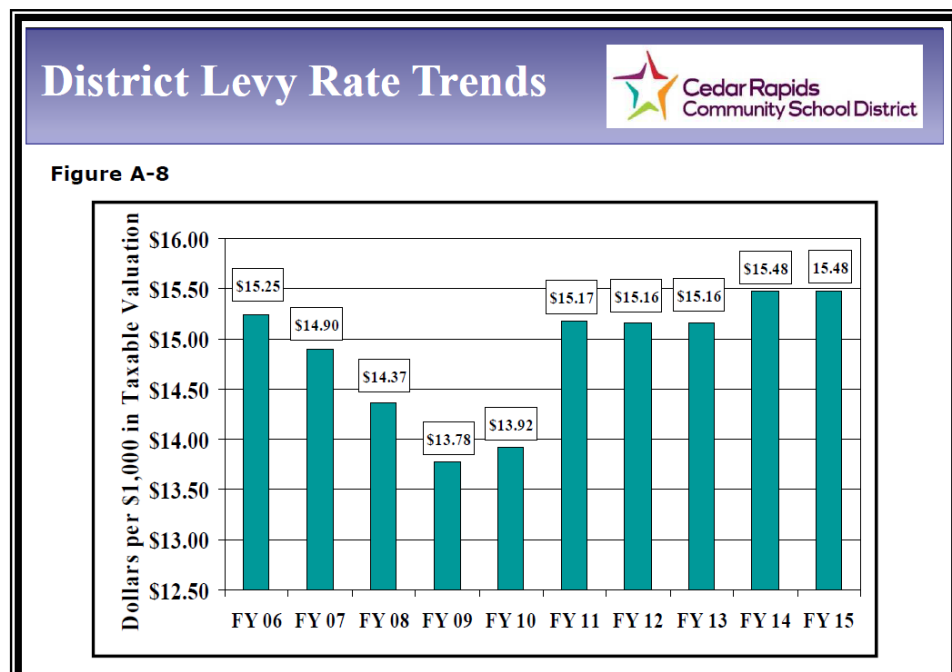
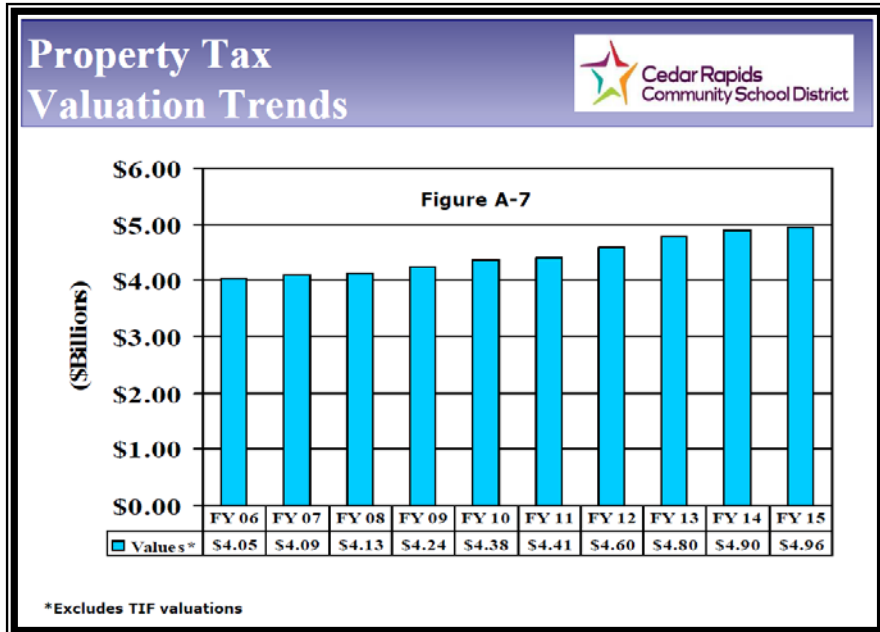
Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

Governmental Activities

The District also continued to experience an increase in the overall property tax base. As can be seen in **Figure A-7**, taxable valuation increased slightly from \$4.90 billion to \$4.96 billion for FY2015. Overall property tax valuation trends over the past ten years show an average annual increase of 2.2%.

Levy rate trends in recent years have shown a period of decline then more recently an increase as depicted in Figure A-8. Levy rates, defined as dollars per \$1,000 of taxable valuation have declined from \$15.25 in FY06 to a low of \$13.78 in FY09 due in large part to the District's annual use of \$4 million in revenues from the Secure an Advanced Vision for Education (SAVE) to reduce local property taxes. The use of the cash reserve levy to replace losses in State Aid played a significant role in increasing the levy rate in FY11 and sustaining it at the same level in FY12 and FY13. An increase in the cash reserve levy from \$9.2 million to \$13.7 million for both FY2014 and FY2015, played a major role in increasing the overall levy rate to \$15.48.

From a historical perspective, levy rates were lower ten years ago and beyond when the District had no outstanding debt. In FY2003 new outstanding debt repayments related to an issuance of \$46 million in general obligation bonds by voters on December 12, 2000, contributed an additional \$1.00 to the District levy rate.



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Figure A-9 presents the cost of six major District activities: Instruction, Pupil and Instructional Services, Administrative and Business, Maintenance and Operations, Transportation and Other. The table shows each activity's net cost, (total costs, less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions. Several highlights include the following:

- The cost of all governmental activities this year was \$212.4 million.
- Some of the cost was financed by the users of the District's programs, (\$11 million).
- The federal and state governments as well as local sources, subsidized certain programs with grants and contributions, (\$36.7 million).
- Most of the District's governmental activities costs however, were financed by District and state taxpayers with \$100.9 million in local and state taxes and \$82.1 million in unrestricted state aid based on the statewide education aid formula.

Figure A-9

Net Cost of Governmental Activities (in millions of dollars)

	Total Cost of Services		Percentage Change 2014-2015	Net Cost of Services		Percentage Change 2014-2015
	2014	2015		2014	2015	
Instruction	\$130.9	\$125.9	-3.8 %	\$ 99.7	\$ 87.4	-12.3 %
Pupil & Instructional Services	16.9	20.5	21.4	16.4	20.0	21.8
Administrative & Business	23.8	22.2	-6.5	22.9	22.1	-3.5
Maintenance & operations	19.8	23.6	19.3	19.8	23.6	19.3
Transportation	7.7	7.3	-5.4	7.5	7.2	-4.3
Other	12.2	12.9	5.7	4.2	4.5	6.1
Total	\$211.3	\$212.4	0.5 %	\$170.5	\$164.7	-3.4 %

Note: totals may not add due to rounding and may differ slightly from the amounts reported in the Basic Financial Statements due to rounding differences.

Business-Type Activities

- Business revenues held steady at \$12.5 million in both FY2014 and FY2015. Charges for services were \$7.5 million, operating grants and contributions, (federal and state subsidies) were \$5.0 million.
- Business expenses dropped slightly from \$12.5 million in FY2014 to \$11.8 million in FY2015. At the present time, the Nutrition Services Fund and Day Care Services Fund are the only funds categorized as Business-Type Activities.

Financial Analysis of the District's Funds

A summary financial analysis of each individual District Fund follows:

Business-Type Fund Highlights

Nutrition Services Fund: The Fund's net position was \$322,867 at June 30, 2015 up from \$157,554 in the prior fiscal period. The beginning net position has been restated downward from \$2,531,122 to \$157,554, (a reduction of \$2,373,568) to comply with GASB68 which requires the District to restate the

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fund balance to reflect the fund's theoretical share of IPERS pension liabilities. Sound business practices in aligning meal pricing to reflect all costs of operations continues to be the mantra of program management. Vigilance over the renewal of the program's aging equipment will continue to be an important focus. Currently, the program has equipment valued at \$3.5 million with total accumulated depreciation of \$2.5 million for a net value of \$1 million, up \$0.2 million from the previous fiscal year.

Other Highlights of the Food and Nutrition Fund include:

- Nearly 50,000 evening meals were served to Cedar Rapids youth through the District's partnerships with Boys and Girls Club of Cedar Rapids, Four Oaks and Young Parents Network.
- For FY2015, meal prices increased by \$.10 for breakfast and \$.10 lunch in order to comply with the Paid Lunch Equity provision of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA).
- \$400,000 was invested in Washington High School kitchen equipment in conjunction with the School Infrastructure Local Option Sales Tax (SILO) funded Geothermal HVAC installation project.
- Students qualifying for free and reduced meals increased from 47.0% of District students in FY2014 to 47.56% in FY2015.
- Almost 69,000 healthy snacks were served to the District's Preschool students throughout the school year.

Governmental Fund Highlights

Most District functions are financed through the governmental fund types, which include the General, Special Revenue, Debt Service and Capital Projects Funds. Due to the significant size and scope of the General Fund, revenues and expenditure summaries that follow will be separated into General Fund only and then "all other Governmental Funds."

General Fund

General educational activities, which are accounted for in the General Fund, are supported principally by local taxes and state aid. A summary of General Fund revenues by source in **Figure A-10** is as follows.

Total General Fund revenues before Other Financing Sources increased by 5.2%, or \$9.7 million in FY2015. A significant part of this was the result of an increase of \$10.5 million in State sources of income of which \$5.3 million is related to a new Teacher Leadership and Compensation State grant as well as an increase in State Aid of \$5.2 million over the previous fiscal year.

Figure A-10					
General Fund Revenues by Source	FY 2015		FY 2014		Change
	Amount	Percent	Amount	Percent	
Local Sources					
Local Taxes	\$70,940,396	35.9%	\$72,601,606	35.8%	-2.3%
Tuition	4,684,090	2.4%	4,695,048	2.6%	-0.2%
Student Fees and Activities	550,720	0.3%	438,490	0.3%	25.6%
Investment Earnings	9,594	0.0%	8,488	0.0%	13.0%
Other Local Sources	2,644,778	1.3%	2,488,322	1.8%	6.3%
State Sources					
State Foundation Aid	80,266,246	40.6%	75,545,176	37.5%	6.2%
Salary Improvement Program	9,065,788	4.6%	8,599,627	4.6%	5.4%
Other State Aid	20,376,892	10.3%	15,094,426	7.4%	35.0%
Federal Sources					
Title I	3,518,292	1.8%	3,187,949	2.4%	10.4%
Other Federal Aid	5,637,977	2.9%	5,339,956	7.5%	5.6%
Total Revenues	\$197,694,773	100.0%	\$187,999,088	100.0%	5.2%
Other Financing Sources	2,396,768		1,695,874		41.3%
Grand Total Resources	\$200,091,541		\$189,694,962		5.5%

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Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

General Fund expenditures by function for fiscal years 2014 and 2015 are summarized in **Figure A-11**. Overall expenditures increased by \$5.2 million over the previous year reflecting both budget reduction planning and a \$5.3 million increase in expenditures related to the new State funded Teacher Leadership and Compensation grant. The increase of 67.5% in Instructional Staff Support Services is directly related to the Teacher Leadership and Compensation grant expenditures.

Figure A-11					
General Fund Expenditures by Function	FY 2015		FY 2014		Change
	Amount	Percent	Amount	Percent	
Instruction	\$121,514,263	63.7 %	\$123,401,338	68.3 %	-1.5 %
Student Support Services	5,606,672	2.9	5,484,107	2.7	2.2
Instructional Staff Support Services	13,544,342	7.1	8,085,436	3.4	67.5
General Administration	3,467,752	1.8	3,381,297	1.4	2.6
School Administration	12,755,892	6.7	12,285,612	6.4	3.8
Business Services	5,899,154	3.1	5,146,813	2.9	14.6
Operations and Maintenance	14,810,930	7.8	14,986,718	8.2	-1.2
Student Transportation	5,786,788	3.0	5,782,911	2.7	0.1
AEA Support - Direct to AEA	7,241,289	3.8	6,879,239	3.9	5.3
Total Expenditures	\$190,627,082	100.0 %	\$185,433,471	100.0 %	2.8 %
Other Financing Uses	89,457		99,380		100.0
Total Expenditures and Uses	\$190,716,539		\$185,532,851		2.8 %

Figure A-12 provides a comparison of the original budget, re-estimated budget and actual revenues and expenditures in the General Fund for fiscal year 2015. Total Re-estimated budget revenues were very close to actual revenues received in all categories with the exception of "Local taxes" and "Other local sources" categories. This is due to the classification of \$6.9 million in income surtax revenue within the budget as Other local source revenue, but correctly receipted as a Local tax revenue.

Actual expenditures before Other Financing Uses were \$2.8 million or 1.5% less than re-estimated budget expenditures for the period. Though actual expenditures in the areas of Student Support, School Administration, Operations & Maintenance and Student Transportation were higher than expected when compared to the Re-estimated budget, these overages were completely offset with expenditures lower than expected for Instruction, Instructional Staff Support Services, General Administration and Business Services.

Cedar Rapids Community School District

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**Figure A-12
General Fund Budget and Actual Comparison
Fiscal Year 2015**

	Budget		Original to Re-estimated % Variance	Actual	Re-estimated to Actual % Variance
	Original	Re-estimated			
Revenues					
Local Taxes	\$63,883,958	\$63,933,958	0.1%	\$70,940,396	11.0%
Tuition	5,100,000	5,072,721	-0.5%	4,684,090	-7.7%
Other local sources	9,030,000	9,880,855	9.4%	3,205,092	-67.6%
State sources	111,622,801	110,000,881	-1.5%	109,708,926	-0.3%
Federal sources	8,650,000	8,824,835	2.0%	9,156,269	3.8%
Total Revenues	\$198,286,759	\$197,713,250	-0.3%	\$197,694,773	0.0%
Other Financing Sources	2,514,666	2,266,144	-9.9%	2,396,768	5.8%
Total Revenues & other sources	\$200,801,425	\$199,979,394	-0.4%	\$200,091,541	0.1%
Expenditures					
Instruction	\$126,266,258	\$123,398,352	-2.3%	\$121,514,263	-1.5%
Student Support Services	\$4,983,155	\$4,942,909	-0.8%	5,606,672	13.4%
Instructional Staff Support Services	\$9,425,322	\$15,525,138	64.7%	13,544,342	-12.8%
General Administration	\$4,210,997	\$4,092,300	-2.8%	3,467,752	-15.3%
School Administration	\$12,490,152	\$12,592,249	0.8%	12,755,892	1.3%
Business Services	\$6,414,683	\$6,253,913	-2.5%	5,899,154	-5.7%
Operations and maintenance	\$14,342,574	\$14,021,216	-2.2%	14,810,930	5.6%
Student transportation	\$5,549,896	\$5,386,764	-2.9%	5,786,788	7.4%
Community Services	\$0	-	-	-	-
AEA Support - Direct to AEA	\$7,805,614	7,241,289	-7.2%	7,241,289	0.0%
Total Expenditures	\$191,488,651	\$193,454,130	1.0%	\$190,627,082	-1.5%
Other Financing Uses	49,742	89,457	79.8%	89,457	0.0%
Total Expenditures & Sources (Uses)	\$191,538,393	\$193,543,587	1.0%	\$190,716,539	-1.5%

All Other Governmental Funds

The revenue and expenditure summaries that follow include all other Governmental Funds. These funds include the Special Revenue Funds, (comprised of the Activity and Management Funds) Debt Service and Capital Projects Funds (comprised of PPEL and SAVE Funds). The term, "Major Funds" is a designation required under reporting standards promulgated by the Governmental Accounting Standards Board statement number 34 (GASB 34).

In addition to the General Fund, which is automatically included as a major fund, the District's most "significant" governmental and enterprise funds are also included. Significant, is determined by measuring the "value" of the fund's total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures and applying a 10% and 5% test. The ten percent test measures these values against all funds in the respective governmental or enterprise category. The five percent test measures these values against all governmental and enterprise funds combined. In addition, a fund may be considered major if the District believes that the fund is important to the users of its financial statements.

As can be seen in **Figure A-13**, in addition to the General Fund, the Debt Service, SAVE and Management Funds are included in the "major funds" in the "Governmental Funds Group" for the reasons described above.

Summary of Revenues

In the "All Other Governmental Funds" group as depicted in **Figure A-13**, the District experienced an overall decrease of \$2.1 million in "Total Revenues" from the prior year (excluding other financing sources) and an overall revenue increase of \$5.8 million when all sources are included. The following points highlight the significant changes from the previous year. (All figures compare total revenues including other financing sources.)

- **SAVE Fund** revenues were up \$10.8 million or 70% over the previous year due to \$9 million in a SAVE funded bond issuance dated July 7, 2014.

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

- **Management Fund** revenues were up \$1.1 million or 14% from the previous fiscal year reflective of an increase in property taxes needed to fund ongoing commitments for early retirement benefits as well as property, casualty and workers compensation insurance programs.

Figure A-13								
All Other Governmental Funds, (Excluding General Fund)								
Fiscal Year 2015 Revenues								
Major Funds			Other Gov. Funds					
Revenue Source	Debt Service	SAVE	Management	PPEL	Activity Fund	Total	% of Total	Dollar Change Previous Yr.
Local	\$ 105,715	\$ -	\$ 8,569,081	\$ 5,115,398	\$ 4,152,705	\$ 17,942,899	33.8 %	\$ 1,004,922
State	-	17,100,708	150,086	83,178	-	17,333,972	32.7	2,835,245
Federal	575,555	-	-	74,514	-	650,069	1.2	78,857
Total Revenues	\$ 681,270	\$ 17,100,708	\$ 8,719,167	\$ 5,273,090	\$ 4,152,705	\$ 35,926,940	67.7	\$ 3,919,024
Bond Proceeds	(667,194)	9,000,000	-	-	-	8,332,806	15.7	8,332,806
Other Financing Sources	8,047,968	158,032	-	604,188	-	8,810,188	16.6	(415,618)
Total Revenue & Other	\$ 8,062,044	\$ 26,258,740	\$ 8,719,167	\$ 5,877,278	\$ 4,152,705	\$ 53,069,934	100.0 %	\$ 11,836,212

Summary of Expenditures

In the "All Other Governmental Funds" group, as depicted in **Figure A-14**, the District experienced a slight

Figure A-14								
All Other Governmental Funds, (Excluding General Fund)								
Fiscal Year 2015 Expenditures								
Major Funds			Other Gov. Funds					
Expenditure Function	Debt Service	SAVE	Management	PPEL	Activity Fund	Total	% of Total	Dollar Change Previous Yr.
Regular instruction	\$ -	\$ 1,145,227	\$ 3,305,154	\$ -	\$ -	\$ 4,450,381	8.4%	\$ 1,500,668
Other instruction	-	-	-	-	4,157,269	4,157,269	7.8%	567,336
Student support services	-	-	-	-	-	-	0.0%	-
Instructional staff services	-	1,962,451	22,161	-	-	1,984,612	3.7%	220,540
General administration services	-	-	162,482	-	-	162,482	0.3%	(188,921)
School administration services	-	124,802	611,924	-	-	736,726	1.4%	81,340
Business services	-	15,318	186,330	9,050	-	210,698	0.4%	(8,590)
Operations and maintenance	-	-	1,958,224	215,406	-	2,173,630	4.1%	334,534
Student transportation	-	-	468,908	13,152	-	482,060	0.9%	(754,803)
Food Service	-	-	226,745	-	-	226,745	0.4%	126,044
Community services	-	-	19,667	-	-	19,667	0.0%	(29,470)
Facilities/acquisition	-	16,135,464	-	3,458,664	-	19,594,128	37.0%	(2,039,947)
Debt Service Principal	2,725,000	-	-	-	-	2,725,000	5.1%	130,000
Debt Service Interest	5,323,475	-	-	-	-	5,323,475	10.1%	(65,870)
Bond Issuance Costs	368,537	-	-	-	-	368,537	0.7%	368,537
Total Expenditures	\$ 8,417,012	\$ 19,383,262	\$ 6,961,595	\$ 3,696,272	\$ 4,157,269	\$ 42,615,410		\$ 241,398
Other Financing Uses	-	8,585,252	114,350	1,650,734	-	10,350,336	19.5%	550,482
Total Expenditures & Other	\$ 8,417,012	\$ 27,968,514	\$ 7,075,945	\$ 5,347,006	\$ 4,157,269	\$ 52,965,746	100.0%	\$ 791,880

increase of \$0.8 million or 1.5% in Total Expenditures including Other Financing Uses from the previous fiscal year. The following points highlight the significant changes from the previous year. (All figures compare total expenditures including other financing uses.)

- **Management Fund** expenditures increased \$0.8 million or 13% over the previous fiscal period for ongoing commitments for early retirement benefits as well as property, casualty and workers compensation insurance programs.

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

- **Activity Fund** expenditures increased overall by \$0.6 million or 16% from the previous year. Increased expenditures reflect increased co-curricular activities occurring within the District.
- **PPEL Fund** expenditures increased \$0.6 million or 12% over the previous fiscal period for ongoing commitments to District infrastructure repair and maintenance.

Fund Balances: Governmental Funds

Fund balances reflect the accumulated excess of revenues over expenditures for governmental functions. A comparison of individual fund(s) balances can be seen in **Figure A-15**.

Figure A-15				
Fund Balances	June 30, 2015	June 30, 2014	\$ Increase (Decrease)	% Increase (Decrease)
General Fund	\$17,043,568	\$7,668,566	\$9,375,002	122.3%
Special Revenue Funds*	7,692,013	6,053,355	1,638,658	27.1%
Capital Projects Funds**	14,388,087	15,567,589	(1,179,502)	-7.6%
Debt Service Fund	13,042,224	13,397,192	(354,968)	-2.6%
Total	\$52,165,892	\$42,686,702	\$9,479,190	22.2%
*Special Revenue Funds				
Activity	\$1,333,909	\$1,338,473	(\$4,564)	-0.3%
Management	6,358,104	4,714,882	1,643,222	34.9%
Total	\$7,692,013	\$6,053,355	\$1,638,658	27.1%
**Capital Projects Funds				
SAVE	\$7,840,180	\$9,549,954	(\$1,709,774)	-17.9%
PPEL	6,547,907	6,017,635	530,272	8.8%
Total	\$14,388,087	\$15,567,589	(\$1,179,502)	-7.6%

The **General Fund** ending fund balance experienced an increase of \$9.4 million, or 122% from the previous fiscal year. This is largely a result of a budget reduction package of \$6 million that was implemented and a General Fund cash reserve levy of \$13 million in FY2015.

The **Special Revenue Funds** ending balances, (Activity and Management funds combined) experienced an increase of \$1.6 million due to an increase in the Management fund ending balance of \$1.6 million.

Ending balances within the **Capital Projects Funds**, (SAVE and PPEL) declined by \$1.2 million or 7.6% in aggregate. This reduction was largely driven by a planned spend down of the SAVE Fund reserves for capital project commitments.

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

Capital Asset and Debt Administration

Capital Assets

As indicated in **Figure A-16**, by the end of 2015, the District had invested, net of depreciation, \$203.7 million in a broad range of assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. This amount represents an increase of 5.5% over the previous year. Increases in the Construction in Progress category, the sole reason for the overall increase, was related to capital improvements to District infrastructure funded by Secure an Advanced Vision for Education or SAVE revenues.

Figure A-16								
Capital Assets (net of depreciation, in millions of dollars)								
	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014-2015</u>	
Land	\$ 10.5	\$ 9.9	\$ -	\$ -	\$ 10.5	\$ 9.9		-5.6%
Construction in progress	38.9	53.2	-	-	38.9	53.2		36.8%
Buildings	136.9	134.7	-	-	136.9	134.7		-1.6%
Equipment	2.4	2.0	0.8	1.0	3.2	3.0		-6.4%
Vehicles	3.5	2.9	-	-	3.5	2.9		-18.4%
	<u>\$ 192.2</u>	<u>\$ 202.7</u>	<u>\$ 0.8</u>	<u>\$ 1.0</u>	<u>\$193.0</u>	<u>\$203.7</u>		<u>5.5%</u>
Note: totals may not add due to rounding.								

Since fiscal year 2000 when the District had \$64 million in capital assets net of depreciation, the District has added \$139.7 million now totaling \$203.7 million in capital assets net of depreciation. This is reflective of the construction and improvements to the District's infrastructure made possible with a voter approved \$46 million bond issue passed December 12, 2000 and SAVE revenues that the District began receiving at the beginning of fiscal year 2008.

Of the \$370.8 million in anticipated SAVE revenues through December 31, 2029, the District has already expended and committed \$256 million for the purchase of technology equipment and improvements of District infrastructure. In addition, the District has committed \$90 million of anticipated Physical Plant and Equipment monies through June 30, 2025 for repairs and improvements to District infrastructure as well as the purchase of District vehicles.

Additional information on capital asset activity may be found under Note 5 "Capital Assets" in the Notes to Basic Financial Statements.

Long-Term Debt

As noted in **Figure A-17**, the District had \$125.9 million in long debt outstanding compared to \$116.8 million in the previous fiscal year. This represents an increase of 8% over the prior year.

The District sold \$46 million in general obligation bonds, approved by voters on December 12, 2000, to help finance a five-year, \$52.7 million in facilities construction and improvements throughout the District. Ten million in general obligation bonds were sold in fiscal year 2000-2001, with the remaining \$36 million sold in fiscal year 2001-2002. Both sales were to be repaid over a twenty-year period.

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2015

On March 1, 2006, the District issued \$31.4 million in school refunding bonds. The purpose of the sale was to advance refund the original \$46 million G.O. bonds in order to reduce related interest costs. Interest costs were reduced by \$1,712,683. In fiscal year 2011, the District sold \$30 million in SAVE backed notes to in part help fund flood recovery efforts and \$11.8 million in SAVE backed Qualified School Construction Bonds (QSCB) to provide financing for energy conservation projects. An additional \$53.4 million in SAVE funded notes were issued in fiscal year 2012 to continue funding flood recovery efforts as well as fund additional infrastructure projects that were identified. The District issued an additional \$9 million in SAVE funded notes on July 7, 2014 to fully fund the District infrastructure commitments. On June 6, 2015 the District sold \$56.6 million in refunding bonds to retire the two fiscal year 2012 revenue bond issues. This refunding transaction took advantage of lower interest rates and provided a net present value savings of \$4.1 million to the District.

As of June 30, 2015 the District did not exceed its 5% legal debt margin. The District had \$125.9 million in debt applicable to the 5% statutory limit compared to a debt limit of \$419.2 million. Additional information on long term debt may be found under Note 6 "Bonded and Other Long Term Liabilities" in the Notes to Basic Financial Statements as well as the statistical section at the end of this report.

Figure A-17			
Outstanding Long-Term Bonds Payable (in millions of dollars)			
	Total		Total
	School District		Percentage
	2014	2015	Change
			2014-2015
School refunding bonds	\$ 20,905,000	\$ 18,180,000	-13.0%
SAVE Revenue Bonds	83,425,000	95,603,000	14.6%
QSCB	11,842,461	11,842,461	-
Bond Premium	593,916	320,991	-46.0%
Total	\$116,766,377	\$125,946,452	7.9%

Economic Factors and Next Year's Budgets and Rates

- On August 11, 2015 Moody's affirmed the Aa3 rating on Cedar Rapids Community School District's GO debt and removed the negative outlook. According to Moody's, the Aa3 rating reflects the District's improved reserve position; sizeable tax base with average socioeconomic profile in eastern Iowa (Aaa stable); and manageable debt burden and pension liabilities. Further, the removal of the negative outlook is due to substantial improvements in the District's previously narrow reserve levels. The District's financial position is expected to remain sound supported by recent expenditure reductions and revenue enhancements.
- On April 14, 2015, the Board of Education approved continuation of the Instructional Support Levy (ISL) at the maximum 10% of total regular program district cost for an additional five years ending on June 30, 2021. This ISL continuation is critical for instructional support providing approximately \$8 million annually in additional revenue to the General Fund.
- The Board and Cedar Rapids Education Association reached a two year contract settlement that will provide for compensation increases of 1.5% in FY2016 and 3.5% in FY2017. FY2016 is aligned with State revenue growth to public schools of 1.25%. But FY2017 State revenue growth is an unknown at this time. Given the recent levels of State funding growth, the District will likely need to implement budget adjustments in FY2017 to maintain stable spending authority reserves.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this report or need additional financial information, contact Steve Graham, Executive Director – Business Services, Cedar Rapids Community School District, 2500 Edgewood Road NW, Cedar Rapids, Iowa 52405.

Government-Wide Financial Statements





Cedar Rapids Community School District

**Statement of Net Position
June 30, 2015**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 61,123,680	\$ 3,060,619	\$ 64,184,299
Receivables:			
Taxes:			
Current year	524,787	-	524,787
Succeeding year	84,654,801	-	84,654,801
Interest	2,704	185	2,889
Other	217,774	277,424	495,198
Due from other governments	7,958,478	234,803	8,193,281
Internal balances	1,089,282	(1,089,282)	-
Inventories	278,245	70,208	348,453
Prepaid items	16,958	-	16,958
Total current assets	155,866,709	2,553,957	158,420,666
Noncurrent assets:			
Restricted cash and investments	12,251,033	-	12,251,033
Capital assets:			
Land and construction in progress	63,136,287	-	63,136,287
Depreciable assets	213,156,912	3,520,786	216,677,698
Less accumulated depreciation	(73,615,571)	(2,486,588)	(76,102,159)
Net capital assets	202,677,628	1,034,198	203,711,826
Total noncurrent assets	214,928,661	1,034,198	215,962,859
Total assets	370,795,370	3,588,155	374,383,525
Deferred Outflows of Resources			
Pension related amounts	15,240,835	755,003	15,995,838
Deferred amount on refunding	3,845,194	-	3,845,194
Total deferred outflows of resources	19,086,029	755,003	19,841,032

See Notes to Basic Financial Statements.

	Governmental	Business-Type	
	Activities	Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	6,313,756	38,274	6,352,030
Accrued expenses, primarily salaries and benefits payable	17,370,071	353,421	17,723,492
Due to other governments	3,624,567	14,433	3,639,000
Accrued interest payable	2,248,030	-	2,248,030
Unearned revenue	287,623	162,421	450,044
Current portion of long-term obligations	7,400,145	-	7,400,145
Total current liabilities	37,244,192	568,549	37,812,741
Noncurrent liabilities,			
noncurrent portion of long-term obligations	205,774,810	3,677,403	209,452,213
Total liabilities	243,019,002	4,245,952	247,264,954
Deferred Inflows of Resources			
Property taxes	77,335,809	-	77,335,809
Income surtaxes	7,318,992	-	7,318,992
Pension related amounts	30,999,968	1,535,682	32,535,650
Total deferred inflows of resources	115,654,769	1,535,682	117,190,451
Net Position			
Net investment in capital assets	88,883,139	1,034,198	89,917,337
Restricted for:			
Categorical funding	4,219,634	-	4,219,634
Debt service	2,487,425	-	2,487,425
Student activities	1,333,910	-	1,333,910
Physical plant and equipment	6,547,906	-	6,547,906
School infrastructure	6,091,322	-	6,091,322
Unrestricted	(78,355,708)	(2,472,674)	(80,828,382)
Total net position (deficit)	\$ 31,207,628	\$ (1,438,476)	\$ 29,769,152

Cedar Rapids Community School District

Statement of Activities Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction:				
Regular instruction	\$ 75,114,121	\$ 2,520,242	\$ 11,420,062	\$ 133,544
Special instruction	28,739,317	2,575,783	3,753,286	-
Vocational instruction	1,171,341	23,660	211,328	-
Other instruction	20,844,653	4,428,316	13,386,012	-
Total instruction	125,869,432	9,548,001	28,770,688	133,544
Support services:				
Student services	5,429,282	-	-	-
Instructional staff services	15,091,885	545,184	-	-
General administration services	3,529,362	-	-	-
School administration services	13,122,763	-	-	-
Business services	5,596,489	149,890	-	-
Operations and maintenance	23,628,837	-	-	-
Student transportation	7,281,662	97,675	8,232	-
Other support services, AEA flowthrough	7,241,289	-	7,241,289	-
Total support services	80,921,569	792,749	7,249,521	-
Noninstructional programs:				
Food services	226,745	-	-	-
Community services	19,667	624,993	-	-
Total noninstructional programs	246,412	624,993	-	-
Interest and issuance costs on long-term debt	5,410,128	-	575,555	-
Total governmental activities	212,447,541	10,965,743	36,595,764	133,544
Business-type activities				
Noninstructional programs:				
Daycare services	4,389,636	4,409,491	120,998	-
Nutrition services	7,378,452	3,066,837	4,888,666	-
Total business-type activities	11,768,088	7,476,328	5,009,664	-
Total school district	\$ 224,215,629	\$ 18,442,071	\$ 41,605,428	\$ 133,544

General revenues:

Taxes:

Property taxes, levied for general purposes
Property taxes, levied for capital outlay
State-wide sales tax
Income surtaxes
Grants not restricted to specific programs
Interest and investment earnings
Miscellaneous

Transfers

Total general revenues and transfers

Change in net position
Net position, beginning, as restated
Net position (deficit), ending

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (61,040,273)	\$ -	\$ (61,040,273)
(22,410,248)	-	(22,410,248)
(936,353)	-	(936,353)
(3,030,325)	-	(3,030,325)
(87,417,199)	-	(87,417,199)
(5,429,282)	-	(5,429,282)
(14,546,701)	-	(14,546,701)
(3,529,362)	-	(3,529,362)
(13,122,763)	-	(13,122,763)
(5,446,599)	-	(5,446,599)
(23,628,837)	-	(23,628,837)
(7,175,755)	-	(7,175,755)
-	-	-
(72,879,299)	-	(72,879,299)
(226,745)	-	(226,745)
605,326	-	605,326
378,581	-	378,581
(4,834,573)	-	(4,834,573)
(164,752,490)	-	(164,752,490)
-	140,853	140,853
-	577,051	577,051
-	717,904	717,904
(164,752,490)	717,904	(164,034,586)
72,618,145	-	72,618,145
4,717,396	-	4,717,396
16,746,385	-	16,746,385
6,869,752	-	6,869,752
82,077,802	-	82,077,802
155,078	2,256	157,334
3,659,382	86,580	3,745,962
388,495	(388,495)	-
187,232,435	(299,659)	186,932,776
22,479,945	418,245	22,898,190
8,727,683	(1,856,721)	6,870,962
\$ 31,207,628	\$ (1,438,476)	\$ 29,769,152



Fund Financial Statements





Cedar Rapids Community School District

Balance Sheet Governmental Funds June 30, 2015

	General	Management	Debt Service
Assets			
Cash and cash equivalents	\$ 32,947,723	\$ 9,085,503	\$ 1,078,806
Receivables:			
Taxes:			
Current year	432,672	56,163	-
Succeeding year	71,084,669	5,022,580	-
Interest	1,356	617	8
Other	184,350	26,104	-
Due from other governments	4,542,745	867	-
Due from other funds	1,342,184	7,797	-
Inventories-supplies and materials	278,245	-	-
Restricted cash	-	-	12,251,033
Prepaid items	16,958	-	-
Total assets	\$ 110,830,902	\$ 14,199,631	\$ 13,329,847
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,232,384	\$ 86,446	\$ -
Accrued expenditures, primarily salaries and benefits payable	17,380,421	2,708,004	-
Due to other governments	3,615,065	9,502	-
Due to other funds	425,817	14,995	-
Unearned revenue	-	-	287,623
Total liabilities	22,653,687	2,818,947	287,623
Deferred inflows of resources:			
Unavailable revenue - property taxes	63,765,677	5,022,580	-
Unavailable revenue - income surtaxes	7,318,992	-	-
Unavailable revenue - intergovernmental	48,978	-	-
Total deferred inflows of resources	71,133,647	5,022,580	-
Fund balances:			
Nonspendable	295,203	-	-
Restricted	4,219,634	6,358,104	13,042,224
Assigned	-	-	-
Unassigned	12,528,731	-	-
Total fund balances	17,043,568	6,358,104	13,042,224
Total liabilities, deferred inflows of resources and fund balances	\$ 110,830,902	\$ 14,199,631	\$ 13,329,847

See Notes to Basic Financial Statements.

Secure an Advanced Vision for Education	Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,711,309	\$ 9,300,339	\$ 61,123,680
-	35,952	524,787
-	8,547,552	84,654,801
182	541	2,704
-	7,320	217,774
3,414,397	469	7,958,478
658,032	-	2,008,013
-	-	278,245
-	-	12,251,033
-	-	16,958
<u>\$ 12,783,920</u>	<u>\$ 17,892,173</u>	<u>\$ 169,036,473</u>
\$ 3,946,102	\$ 1,048,824	\$ 6,313,756
-	-	20,088,425
-	-	3,624,567
63,938	413,981	918,731
-	-	287,623
<u>4,010,040</u>	<u>1,462,805</u>	<u>31,233,102</u>
-	8,547,552	77,335,809
-	-	7,318,992
933,700	-	982,678
<u>933,700</u>	<u>8,547,552</u>	<u>85,637,479</u>
-	-	295,203
6,091,322	7,881,816	37,593,100
1,770,470	-	1,770,470
(21,612)	-	12,507,119
<u>7,840,180</u>	<u>7,881,816</u>	<u>52,165,892</u>
<u>\$ 12,783,920</u>	<u>\$ 17,892,173</u>	<u>\$ 169,036,473</u>



Cedar Rapids Community School District

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2015

Total governmental fund balances		\$	52,165,892
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.			
Capital assets	\$	276,293,199	
Accumulated depreciation		<u>(73,615,571)</u>	202,677,628
Receivables not collected within 60 days of year-end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.			982,678
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
Deferred outflows of resources		15,240,835	
Deferred inflows of resources		<u>(30,999,968)</u>	(15,759,133)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:			
Bonds payable		(125,625,461)	
Bond premiums		(320,991)	
Accrued interest on long-term debt		(2,248,030)	
Deferred amount on refunding		3,845,194	
Net pension liability		(74,233,692)	
Other postemployment benefits		(4,576,786)	
Compensated absences (vacations)		(971,791)	
Early retirement payable		<u>(4,727,880)</u>	(208,859,437)
Net position of governmental activities			<u><u>\$ 31,207,628</u></u>

See Notes to Basic Financial Statements.

Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year Ended June 30, 2015

	General	Management	Debt Service
Revenues:			
Local sources:			
Local taxes	\$ 70,940,396	\$ 8,322,713	\$ -
Tuition	4,684,090	-	-
Other local sources	3,205,092	246,368	105,715
State sources	109,708,926	150,086	-
Federal sources	9,156,269	-	575,555
Total revenues	197,694,773	8,719,167	681,270
Expenditures:			
Current:			
Instruction:			
Regular instruction	73,418,337	3,305,154	-
Special instruction	29,756,714	-	-
Vocational instruction	1,210,355	-	-
Other instruction	17,128,857	-	-
Total instruction	121,514,263	3,305,154	-
Support services:			
Student services	5,606,672	-	-
Instruction staff services	13,544,342	22,161	-
General administration services	3,467,752	162,482	-
School administration services	12,755,892	611,924	-
Business services	5,899,154	186,330	-
Operations and maintenance	14,810,930	1,958,224	-
Student transportation	5,786,788	468,908	-
Other support services, AEA flowthrough	7,241,289	-	-
Total support services	69,112,819	3,410,029	-
Noninstructional programs:			
Food service	-	226,745	-
Community services	-	19,667	-
Total noninstructional programs	-	246,412	-
Debt service:			
Principal	-	-	2,725,000
Interest	-	-	5,323,475
Bond issuance costs	-	-	368,537
Capital outlay, facilities acquisition	-	-	-
Total expenditures	190,627,082	6,961,595	8,417,012
Excess (deficiency) of revenues over expenditures	7,067,691	1,757,572	(7,735,742)
Other financing sources (uses):			
Proceeds from the issuance of bonds	-	-	56,603,000
Proceeds on disposal of capital assets	-	-	-
Payment to refunded bonds escrow agent	-	-	(57,270,194)
Transfers in	2,396,768	-	8,047,968
Transfers out	(89,457)	(114,350)	-
Total other financing sources (uses)	2,307,311	(114,350)	7,380,774
Net change in fund balances	9,375,002	1,643,222	(354,968)
Fund balances at beginning of year	7,668,566	4,714,882	13,397,192
Fund balances at end of year	\$ 17,043,568	\$ 6,358,104	\$ 13,042,224

See Notes to Basic Financial Statements.

Secure an Advanced Vision for Education	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 4,942,184	\$ 84,205,293
-	-	4,684,090
1,104,323	4,325,919	8,987,417
15,996,385	83,178	125,938,575
-	74,514	9,806,338
17,100,708	9,425,795	233,621,713
1,145,227	-	77,868,718
-	-	29,756,714
-	-	1,210,355
-	4,157,269	21,286,126
1,145,227	4,157,269	130,121,913
-	-	5,606,672
1,962,451	-	15,528,954
-	-	3,630,234
124,802	-	13,492,618
15,318	9,050	6,109,852
-	215,406	16,984,560
-	13,152	6,268,848
-	-	7,241,289
2,102,571	237,608	74,863,027
-	-	226,745
-	-	19,667
-	-	246,412
-	-	2,725,000
-	-	5,323,475
-	-	368,537
16,135,464	3,458,664	19,594,128
19,383,262	7,853,541	233,242,492
(2,282,554)	1,572,254	379,221
9,000,000	-	65,603,000
158,032	220,636	378,668
-	-	(57,270,194)
-	383,552	10,828,288
(8,585,252)	(1,650,734)	(10,439,793)
572,780	(1,046,546)	9,099,969
(1,709,774)	525,708	9,479,190
9,549,954	7,356,108	42,686,702
\$ 7,840,180	\$ 7,881,816	\$ 52,165,892

Cedar Rapids Community School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2015

Net change in fund balances, governmental funds	\$	9,479,190
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlays	\$	15,808,404	
Depreciation expense		(4,641,346)	11,167,058

Loss on the disposal of assets is not reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of activities.

Proceeds on disposal of capital assets	(378,668)	
Loss on disposal of capital assets	(385,576)	(764,244)

In the statement of activities, certain operating expenses, compensated absences (vacations) and early retirement, are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, early retirement benefits earned were less than the prior year amount by \$1,027,760, and vacation earned was less than the prior year amount by \$31,866.

1,059,626

Some receivables will not be collected for several months after the District's fiscal year end, so they are not considered "available" revenues in the governmental funds, and they are instead reported as deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.

917,278

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Proceeds from the issuance of bonds	(65,603,000)	
Repayment of long-term liabilities	2,725,000	
Payment to escrow agent, including \$3,845,194 deferred amount on refunding	57,270,194	
Amortization of premiums	272,925	(5,334,881)

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the statement of net position.

11,157,957

Some amounts reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Pension expense	(4,915,203)	
Increase in other postemployment benefits	(295,794)	(5,210,997)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds, when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

8,958

Change in net position - governmental activities

\$	22,479,945
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See Notes to Basic Financial Statements.

Cedar Rapids Community School District

Statement of Net Position

Proprietary Funds

June 30, 2015

	Business-Type Activities		
	Nutrition	Nonmajor	
	Services	Daycare	
	Services	Services	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,146,056	\$ 914,563	\$ 3,060,619
Interest receivable	185	-	185
Other receivables	43,237	234,187	277,424
Due from other governments	110,281	124,522	234,803
Due from other funds	287,722	-	287,722
Inventories - supplies and materials	70,208	-	70,208
Total current assets	2,657,689	1,273,272	3,930,961
Noncurrent assets, furniture and equipment, net	1,034,198	-	1,034,198
Total assets	3,691,887	1,273,272	4,965,159
Deferred outflow of resources			
Pension related amounts	375,902	379,101	755,003
Liabilities			
Current liabilities:			
Accounts payable	20,451	17,823	38,274
Accrued expenses	19,098	334,323	353,421
Due to other governments	-	14,433	14,433
Due to other funds	947,454	429,550	1,377,004
Unearned revenue	162,421	-	162,421
Total current liabilities	1,149,424	796,129	1,945,553
Noncurrent liability, net pension liability	1,830,910	1,846,493	3,677,403
Total liabilities	2,980,334	2,642,622	5,622,956
Deferred inflow of resources			
Pension related amounts	764,588	771,094	1,535,682
Net Position			
Investment in capital assets	1,034,198	-	1,034,198
Unrestricted	(711,331)	(1,761,343)	(2,472,674)
Total net position	\$ 322,867	\$ (1,761,343)	\$ (1,438,476)

See Notes to Basic Financial Statements.



Cedar Rapids Community School District

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds Year Ended June 30, 2015

	Business-Type Activities		
	Nutrition Services	Nonmajor Daycare Services	Total
Operating revenues:			
Charges for services	\$ 3,066,837	\$ 4,409,491	\$ 7,476,328
Other	26,462	60,118	86,580
Total operating revenues	3,093,299	4,469,609	7,562,908
Operating expenses:			
Payroll costs	3,586,495	3,596,809	7,183,304
Purchased services	13,274	123,158	136,432
Supplies and materials	3,694,379	669,669	4,364,048
Depreciation	84,304	-	84,304
Total operating expenses	7,378,452	4,389,636	11,768,088
Operating income (loss)	(4,285,153)	79,973	(4,205,180)
Nonoperating revenues (expenses):			
State sources	61,030	-	61,030
Federal sources	4,827,636	120,998	4,948,634
Interest income	2,256	-	2,256
Total nonoperating revenues	4,890,922	120,998	5,011,920
Income before transfers	605,769	200,971	806,740
Transfers in	-	89,457	89,457
Transfers out	(440,456)	(37,496)	(477,952)
	(440,456)	51,961	(388,495)
Change in net position	165,313	252,932	418,245
Net position, beginning of year, as restated	157,554	(2,014,275)	(1,856,721)
Net position, end of year	\$ 322,867	\$ (1,761,343)	\$ (1,438,476)

See Notes to Basic Financial Statements.

Cedar Rapids Community School District

Statement of Cash Flows Proprietary Funds Year Ended June 30, 2015

	Business-Type Activities		Total
	Nutrition Services	Nonmajor Daycare Services	
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 2,709,554	\$ -	\$ 2,709,554
Cash received from services	396,869	4,376,715	4,773,584
Cash received from miscellaneous operating activities	26,462	60,118	86,580
Cash payments to employees for services	(3,743,260)	(3,743,716)	(7,486,976)
Cash payments to suppliers for good and services	(3,174,706)	(799,402)	(3,974,108)
Net cash (used in) operating activities	(3,785,081)	(106,285)	(3,891,366)
Cash flows from noncapital financing activities:			
State lunch and breakfast reimbursements	61,030	-	61,030
Federal lunch and breakfast reimbursements	4,391,458	143,611	4,535,069
Transfers from other funds	-	89,457	89,457
Transfers to other funds	(440,456)	(37,496)	(477,952)
Proceeds from interfund accounts	-	15,273	15,273
Payments to interfund accounts	(432,585)	-	(432,585)
Net cash provided by noncapital financing activities	3,579,447	210,845	3,790,292
Cash flows from capital and related financing activities, acquisition of capital assets	(331,106)	-	(331,106)
Cash flows from investing activities, interest	2,256	-	2,256
Net increase (decrease) in cash and cash equivalents	(534,484)	104,560	(429,924)
Cash and cash equivalents:			
Beginning	2,680,540	810,003	3,490,543
Ending	<u>\$ 2,146,056</u>	<u>\$ 914,563</u>	<u>\$ 3,060,619</u>
Reconciliation of operating income (loss) to net cash (used in) operating activities:			
Operating income (loss)	\$ (4,285,153)	\$ 79,973	\$ (4,205,180)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:			
Depreciation expense	84,304	-	84,304
Commodities consumed	512,597	-	512,597
Changes in assets and liabilities:			
Decrease (increase) in receivables, net	31,556	(32,776)	(1,220)
Decrease in inventories	13,278	-	13,278
Increase in accounts payable and accrued expenses	4,279	1,801	6,080
Decrease in net pension liability	(812,427)	(819,341)	(1,631,768)
Increase in deferred outflows of resources	(106,133)	(107,036)	(213,169)
Increase in deferred inflows of resources	764,588	771,094	1,535,682
Increase in unearned revenues	8,030	-	8,030
Net cash (used in) operating activities	\$ (3,785,081)	\$ (106,285)	\$ (3,891,366)
Noncash items, noncapital financing activities, federal commodities	\$ 512,597	\$ -	\$ 512,597

See Notes to Basic Financial Statements.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies

Nature of operations:

The Cedar Rapids Community School District (the "District") is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve with a student enrollment of 16,843. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education, as well as vocational and recreational courses. The geographic area served includes the cities of Cedar Rapids, Bertram, Hiawatha, Palo, Robins and portions of Marion, Iowa. The District is governed by a Board of Directors whose members are elected on a nonpartisan basis.

The District's financial statements are prepared in conformity with U. S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting entity:

For financial reporting purposes, the District has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization; or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. The District has no component units that meet the GASB criteria, and is not a component unit of another entity.

Measurement focus:

Government-wide financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used have not been eliminated during the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for service.

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are 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 and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The District reports the following major governmental funds:

General Fund is the operating fund of the District. General tax revenues and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. This fund accounts for operating expenditures, including instructional, support and other costs.

Management Fund is a special revenue fund that accounts for resources accumulated and payments made for property insurance, fidelity bonds, worker compensation, liability premiums, unemployment insurance claims and early retirement incentives.

Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long term-debt and is reported as major for public interest purposes.

Secure an Advanced Vision for Education (SAVE) Fund is a capital projects fund that accounts for the resources accumulated through retail sales tax collections and payments made for the purchase and improvement of infrastructure, property tax relief and technology in classrooms. This fund is reported as major for public interest purposes.

Proprietary funds are used to account for activities similar to those found in private industry, where the determination of net income is necessary or useful to provide sound financial administration. The District reports the following major proprietary fund:

Nutrition Services Fund is used to account for the food service operations of the District and is reported as major for public interest purposes.

The District reports the *Daycare Services Fund*, a nonmajor enterprise fund, used to account for the daycare services of the District.

Additionally, the District reports the following fund type:

The *agency fund* is used to account for assets held by the District as an agent for private donations from individuals. These donations are to be used for specific purposes, such as scholarships. The agency fund is custodial in nature; assets equal liabilities, and does not involve measurement of results of operations.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Basis of accounting and financial statement presentation:

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and budgeted for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. The agency fund is custodial in nature and has no measurement focus; however, it uses the accrual basis of accounting.

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 *measurable* when the amount of the transaction can be determined and *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes when levied for, other taxes and intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

Enterprise 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 an enterprise fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Significant accounting policies:

Cash, cash equivalents and investments: The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

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

Property taxes and income surtaxes receivable: Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Current year property tax receivable represents unpaid taxes for the current and prior years.

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1.5 percent per month penalty for delinquent payments; is based on January 1, 2012 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2014.

The income surtax receivable represents the fiscal year 2015 levy which will be collected by the District in fiscal year 2016. Although the income surtax receivable has been recorded as of June 30, 2015, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year ending June 30, 2016, the year for which it is levied.

Interfund receivables/payables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. To the extent that certain transfers between funds had not been received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Due from other governments: Due from other governments represents amounts due from the State of Iowa for various shared revenues and grants and reimbursements from other governments.

Inventories: Inventories of the General Fund are stated at the moving average cost for purchased items and are accounted for using the consumption method, whereby inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed or sold.

Reported inventories in the General Fund are offset by a nonspendable fund balance which indicates these assets are unavailable for appropriation even though they are a component of reported assets. Inventories of the Nutrition Services Fund are valued at cost using the first-in, first-out method for purchased items and government commodities.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Prepays: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements on the consumption method.

Capital assets: Capital assets, which include property, furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more (amount not rounded) and an estimated useful life in excess of one year.

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

	<u>Years</u>
Buildings	50
Furniture	20
Kitchen equipment	15
Office/school equipment	10
Vehicles	8
Computer equipment	5

The District's collection of library books, works of art and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

Deferred outflows of resources: Deferred outflows of resources on the statement of net position represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the District after the measurement date but before the end of the District's reporting period. There is also a deferred amount on refunding which results from the difference in the carrying value of refunded debt and its reacquisition prize.

Salaries and benefits payable: Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities. Earned but unpaid payroll for hourly and administrative employees as of June 30, 2015, has also been accrued as a liability.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Compensated absences: District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements and proprietary funds' financial statements. A liability for these amounts is reported in governmental funds only for amounts that have matured or are considered due, for example, as a result of employee resignations and retirements. The compensated absences liability attributable to governmental activities will be paid primarily by the general fund. All vacation time accrued is expected to be paid out or utilized by employees within one year.

Long-term liabilities: In the governmental fund financial statements, principal and interest on long-term debt, early retirement payments, other postemployment benefits and compensated absences are recognized as liabilities only when payment has matured or becomes due. Proceeds and premiums/discounts from the issuance of long-term debt are reported as other financing sources. Bond issuance costs are reported as expenditures. 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. Bond premiums are amortized over the life of the bonds using a method which approximates the effective interest method. Bond issuance costs are reported as an expense.

Other postemployment benefits: As provided in applicable negotiated contracts, qualified employees meeting minimum age and length of service requirements may be eligible for certain other postemployment benefits from the District.

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.

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. 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. The governmental funds report unavailable revenues from three sources: property taxes, income surtaxes, and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the District's statement of net position, the property tax and income surtaxes revenues remain a deferred inflow and will be recognized as revenue in the year for which they are levied and budgeted for. The District's statement of net position also includes pension related amounts as a deferred inflow. The pension related deferred inflow consists of the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 1. Nature of Operations, Reporting Entity, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

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

Nonspendable: Amounts which cannot be spent either 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 imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the School Board through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same action it took to commit those amounts.

Assigned: Amounts constrained by the District's intent to use them for a specific purpose. It is the District's policy that the authority to assign fund balance has been delegated by the Board of Education to the Executive Director of Business Services through the budget process.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Net position: Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds were \$8,306,769 for the Debt Service Fund. In the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net position restricted by enabling legislation consists of \$6,091,322 for capital projects from the Secure an Advanced Vision for Education fund, \$6,547,906 for the physical plant and equipment levy, \$4,219,634 for categorized funding, \$2,487,425 for debt service.

When an expense is incurred in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position.

Budgets and budgetary accounting: The budgetary comparison and related disclosures are reported as Required Supplementary Information. The District did not exceed its General Fund unspent authorized budget for the fiscal year ended June 30, 2015.

Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 2. Deposits and Investments

Interest rate risk: The District'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) in 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 District. As of June 30, 2015, the District held \$325,668 in United States Treasury Notes maturing on July 1, 2015 and \$3,086,894 maturing on July 1, 2028 related to debt service reserves or nonoperating funds.

Credit risk: The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. The District's investments consist solely of United States Treasury Notes which are not subject to credit risk.

Concentration of credit risk: The District's investment policy is to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The District's investment policy specifically limits the District from investing in prime bankers' acceptance or commercial paper and other corporate debt balances greater than 10 percent of its total investment portfolio. The policy also limits the amount that can be invested in a single issuer to 5 percent of its total investment portfolio. The District's investments consist solely of United States Treasury Notes which are not subject to concentration of credit risk.

Custodial credit risk: The District's investment policy states that all invested assets of the District eligible for physical delivery shall be secured by having them held at a third party custodian. All purchased investments shall be held pursuant to a third party custodial agreement requiring delivery versus payment and compliance with all rules set out in Chapter 12B.10.C of the Code of Iowa.

The District's deposits in banks at June 30, 2015 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.

A reconciliation of cash and investments as shown on the financial statements for the District follows:

Depository accounts	\$ 73,022,770
U.S. Treasury Notes	3,412,562
	<u>\$ 76,435,332</u>
Cash and cash equivalents	\$ 64,184,299
Restricted cash and investments	12,251,033
	<u>\$ 76,435,332</u>

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 3. Interfund Receivables and Payables

As of June 30, 2015, interfund receivables and payables were as follows:

	Receivables	Payables
General Fund	\$ 1,342,184	\$ 425,817
Management Fund	7,797	14,995
Secure an Advanced Vision for Education Fund	658,032	63,938
Nonmajor governmental funds	-	413,981
Total governmental funds	2,008,013	918,731
Nutrition Services Fund	287,722	947,454
Nonmajor enterprise, Daycare Services Fund	-	429,550
Total proprietary funds	287,722	1,377,004
Total all funds	\$ 2,295,735	\$ 2,295,735

The interfund balances relate to expenditures initially paid from the General Fund for supplies and payroll costs, which need to be reimbursed by other proprietary and governmental funds. The District plans to repay all interfund balances by June 30, 2016.

Note 4. Interfund Transfers

The following is a schedule of transfers as included in the basic financial statements of the District:

	Transfers In	Transfers Out
General Fund	\$ 2,396,768	\$ 89,457
Management Fund	-	114,350
Debt Service Fund	8,047,968	-
Secure an Advanced Vision for Education Fund	-	8,585,252
Nonmajor funds, governmental funds	383,552	1,650,734
Nutrition Services Fund	-	440,456
Nonmajor enterprise fund, Daycare Services Fund	89,457	37,496
	\$ 10,917,745	\$ 10,917,745

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

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 5. Capital Assets

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

Governmental Activities	Balance June 30, 2014	Additions	Retirements and Transfers	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 10,496,781	\$ -	\$ 581,031	\$ 9,915,750
Construction-in-progress	38,936,906	15,606,977	1,323,346	53,220,537
Total capital assets, not being depreciated	49,433,687	15,606,977	1,904,377	63,136,287
Capital assets, being depreciated:				
Buildings and improvements	188,559,832	1,323,346	124,864	189,758,314
Furniture and equipment	13,370,761	96,546	468,486	12,998,821
Vehicles	10,746,133	104,881	451,237	10,399,777
Total capital assets, being depreciated	212,676,726	1,524,773	1,044,587	213,156,912
Less accumulated depreciation for:				
Buildings and improvements	51,605,038	3,459,672	32,100	55,032,610
Furniture and equipment	10,972,911	443,811	378,037	11,038,685
Vehicles	7,257,650	737,863	451,237	7,544,276
Total accumulated depreciation	69,835,599	4,641,346	861,374	73,615,571
Total capital assets, being depreciated, net	142,841,127	(3,116,573)	183,213	139,541,341
Governmental activities capital assets, net	\$ 192,274,814	\$ 12,490,404	\$ 2,087,590	\$ 202,677,628
Business-Type Activities	Balance June 30, 2014	Additions	Retirements and Transfers	Balance June 30, 2015
Capital assets, being depreciated, furniture and equipment	\$ 3,203,923	\$ 331,106	\$ 14,243	\$ 3,520,786
Less accumulated depreciation	2,416,527	84,304	14,243	2,486,588
Business-type activities capital assets, net	\$ 787,396	\$ 246,802	\$ -	\$ 1,034,198

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 293,020
School administration services	162,110
Operations and maintenance	3,537,071
Student transportation	649,145
Total	\$ 4,641,346

Depreciation expense was charged to business-type functions as follows:

Nutrition services	\$ 84,304
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Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 6. Bonded and Other Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2015 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds payable:					
Revenue bonds	\$ 95,267,461	\$ 65,603,000	\$ (53,425,000)	\$ 107,445,461	\$ 880,000
School refunding bonds	20,905,000	-	(2,725,000)	18,180,000	2,830,000
Premiums	593,916	-	(272,925)	320,991	-
Total bonds payable	116,766,377	65,603,000	(56,422,925)	125,946,452	3,710,000
Other liabilities:					
Compensated absences	1,003,657	1,805,373	(1,837,239)	971,791	971,791
Other postemployment benefits	4,280,992	1,802,414	(1,506,620)	4,576,786	-
Early retirement payable - health	5,043,794	396,193	(1,314,081)	4,125,906	1,082,635
Early retirement payable - TSA	3,569,344	1,294,400	(1,543,416)	3,320,328	1,635,719
Net pension liability	107,173,270	5,556,216	(38,495,794)	74,233,692	-
Total long-term liabilities	\$ 237,837,434	\$ 76,457,596	\$ (101,120,075)	\$ 213,174,955	\$ 7,400,145
Business-Type Activities,					
net pension liability	\$ 5,309,171	\$ 275,244	\$ (1,907,012)	\$ 3,677,403	\$ -

The Management Fund (for early retirement pay and other postemployment benefits) and General Fund (for compensated absences and net pension liability) typically have been used to liquidate long-term liabilities other than bonds payable.

Early retirement: The District offered a voluntary early retirement plan to its certified and administrative employees. Certified employees who have completed at least 20 years of service and who are at least 55 years of age were eligible. Employees will be allowed benefits upon submission of a written resignation accepted by Human Resources by February 1 of the current contract year. The early retirement incentive for each eligible certified employee is equal to an amount representing 105 days' pay calculated by using the current year basic salary schedule, subject to a proration formula by age with an enhancement to the normal plan, with an additional payment for unused days of accrued sick leave of \$100 per day, up to a maximum of 100 days for certified employees.

Administrators age 55 through 65 whose age plus years of service with the District totals 75 shall be eligible for early retirement pay. Administrators will be allowed benefits upon submission of a written resignation accepted by the Board of Directors. The early retirement incentive for each eligible administrative employee is equal to an amount representing 195 days' pay. The daily rate of pay shall be the administrator's contract salary in effect during the last full year of employment, with an additional payment for unused days of accrued sick leave of \$100 per day, up to a maximum of 100 days for administrators.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 6. Bonded and Other Long-Term Liabilities (Continued)

The District will pay eligible employees an early retirement benefit to be contributed by the district directly to a tax-sheltered annuity owned by the employee and qualifying under Section 403(b) of the Internal Revenue Code of 1986, as amended. A certified employee receives the accumulated days' salary in equal annual installments spread out over three years beginning in October of the same year following early separation. While an administrator may choose to receive the accumulated days' salary in equal annual installments spread out over four years beginning in October of the same year following early separation.

Early retirement benefits paid during the year ended June 30, 2015 totaled \$2,857,497 of which the Management Fund paid \$2,849,622 and the General Fund paid \$7,875. The cost of early retirement payments for health benefits expected to be liquidated currently are recorded as a liability of the Management and General Funds included in accrued expenditures in the amounts of \$1,072,285 and \$10,350, respectively, because the liability has matured. The cost of early retirement payments for salaries expected to be liquidated currently are recorded as accrued expenditures liability in the Management Fund in the amount of \$1,635,719. A liability for the entire balance of the early retirement obligation has been recorded in the government-wide financial statements representing the District's commitment to fund non-current early retirement benefits.

Bonds payable: The District holds general obligation school refunding bonds, Series 2006 with an original issue amount of \$31,955,000 maturing through June 2021 with interest rates ranging from 4.25 percent to 5.0 percent. The proceeds were used to crossover refund, on June 1, 2009, \$6,975,000 outstanding Series 2001 bonds originally dated February 1, 2001 maturing 2010 through 2020 and crossover refund, on June 1, 2010, \$24,600,000 of the outstanding Series 2002 bonds originally dated January 1, 2002 maturing in 2011 through 2021. The Series 2001 and Series 2002 bonds were previously issued for the purpose of financing various improvements and repairs to existing school buildings, and the construction and furnishing of a new elementary school. Details of the District's June 30, 2015 bonded indebtedness are as follows:

<u>Year Ending June 30:</u>	Principal	Interest	Total
2016	\$ 2,830,000	\$ 782,698	\$ 3,612,698
2017	2,955,000	641,198	3,596,198
2018	3,095,000	508,222	3,603,222
2019	3,190,000	384,422	3,574,422
2020	3,405,000	252,038	3,657,038
2021	2,705,000	111,582	2,816,582
	<u>\$ 18,180,000</u>	<u>\$ 2,680,160</u>	<u>\$ 20,860,160</u>

The District issued \$30,000,000 School Infrastructure Sales, Service and Use Tax Revenue Bonds, Series 2010, dated July 1, 2010, maturing January 2030 with interest rates ranging from 4.25 percent to 5.00 percent, for the purpose of building construction and renovation of District buildings. Principal payments range from \$5,175,000 to \$9,900,000 due in fiscal years 2027 through 2030.

The District issued \$11,842,461 Taxable School Infrastructure Sales, Services and Use Tax Revenue Bonds (Qualified School Construction Bonds), Series 2010, dated December 1, 2010, maturing July 1, 2028 with an interest rate of 5.50 percent, for the purpose of building construction and renovation of District buildings. The principal payment of \$11,842,461 is due in fiscal year 2028.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 6. Bonded and Other Long-Term Liabilities (Continued)

On July 7, 2014, the Cedar Rapids School District issued \$9,000,000 in School Infrastructure Sales, Service and Use Tax Revenue Bonds, Series 2014 maturing July 1, 2019 with interest rate of 1.48 percent for the purpose of building construction and renovation of district buildings. Principal payments of \$4,500,000 are due July 1, 2018 and July 1, 2019.

On June 1, 2015, the Cedar Rapids School District issued \$56,603,000 in School Infrastructure Sales, Service and Use Tax Revenue Refunding Bonds, Series 2015 maturing July 1, 2026 with an interest rate of 2.34 percent to advance refund \$10,000,000 of the outstanding School Infrastructure Sales, Service and Use Tax Revenue Bonds, Series 2012 with an interest rate of 4.25 percent, and to advance refund \$43,425,000 of the outstanding School Infrastructure Sales, Service and Use Tax Revenue Bonds, Series 2011 with interest rates ranging from at 4.00 to 5.00 percent. A portion of the proceeds related to the advanced refunding were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the School Infrastructure Sales, Service and Use Tax Revenue Bonds, Series 2011 and Series 2012 being refunded. The net change was a decrease in cash flows related to the advance refunding of \$6,869,908 and the economic gain resulting from the advance refunding was \$4,141,251.

The District has pledged SAVE Revenues to repay the 2010 School Infrastructure Sales, Service and Use Tax Revenue Bonds, the 2010 Taxable School Infrastructure Sales, Services and Use Tax Revenue Bonds, the 2014 School Infrastructure, Service and Use Tax Revenue Bonds, and the 2015 School Infrastructure Sales, Service and Use Tax Revenue Refunding Bonds issued in December 2010, July 2010, July 2014, and June 2015 respectively. The total principal and interest remaining to be paid on the bonds is \$145,459,535. For fiscal year 2015, the total principal and interest paid and total net revenues were \$4,431,778 and \$15,996,385, respectively.

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 880,000	\$ 2,946,229	\$ 3,826,229
2017	1,014,000	3,482,664	4,496,664
2018	5,540,000	3,426,420	8,966,420
2019	5,564,000	3,335,636	8,899,636
2020	7,426,000	3,277,580	10,703,580
2021 - 2025	39,407,000	13,900,325	53,307,325
2026 - 2030	47,614,461	7,645,220	55,259,681
	<u>\$ 107,445,461</u>	<u>\$ 38,014,074</u>	<u>\$ 145,459,535</u>

In 2015, the District defeased the School Infrastructure Sales, Service and Use Tax Revenue Bonds Series 2011 and School Infrastructure Sales, Service and Use Tax Revenue Bonds Series 2010 with the issuance of 2015 School Infrastructure Sales, Service and Use Tax Revenue Refunding Bonds. The proceeds were placed in an irrevocable trust to provide for the remaining principal and interest payments until they are callable. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. As of June 30, 2015, the amount to be called by the escrow account is \$57,662,080.

As of June 30, 2015, the District held \$12,251,034 deposited into Sinking Funds as required by the Bond agreements for the School Infrastructure Sales, Service and Use Tax Revenue Bonds Series 2010, the Qualified School Construction Bonds Series 2010 and the School Infrastructure Sales, Service and Use Tax Revenue Bonds Series 2015.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 6. Bonded and Other Long-Term Liabilities (Continued)

As of June 30, 2015 the District did not exceed its legal debt limit of \$419,237,776.

The District participates in the Iowa School Cash Anticipation Program. The District has a line of credit they are able to draw on, and then pay back the total amount drawn, plus interest within the same fiscal year. During fiscal year ended June 30, 2015, the District paid \$11,245 in interest. Following is the activity for the year ended June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance
Anticipation warrants	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -

Note 7. Pension and Retirement Benefits

Plan description: IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through 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 P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Pension benefits: A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

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

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

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 7. Pension and Retirement Benefits (Continued)

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

Contributions: Effective July 1, 2012, as a result of a 2010 law change, the 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 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2015 were \$11,710,701.

Net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2015, the District reported a liability of \$77,911,095 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's collective proportion was 1.9645219 percent, which was a decrease of 0.061498 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$5,171,986. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 846,742	\$ -
Changes of assumptions	3,438,395	-
Net difference between projected and actual earnings on pension plan investments	-	(29,846,326)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(2,689,324)
District contributions subsequent to the measurement date	11,710,701	-
Total	\$ 15,995,838	\$ (32,535,650)

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 7. Pension and Retirement Benefits (Continued)

\$11,710,701 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,

2016	\$ (6,600,587)
2017	(6,600,587)
2018	(6,600,587)
2019	(6,600,587)
2020	(1,848,165)
Total	<u><u>\$ (28,250,513)</u></u>

There were no non-employer contributing entities at IPERS.

Actuarial assumptions: The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increases (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term effective investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

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

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 7. Pension and Retirement Benefits (Continued)

The long-term expected rate of return on pension plan 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
U.S. equity	23%	6.31%
Non U.S. equity	15	6.76
Private equity	13	11.34
Real estate	8	3.52
Core plus fixed income	28	2.06
Credit opportunities	5	3.67
TIPS	5	1.92
Other real assets	2	6.27
Cash	1	(0.69)
	<u>100%</u>	

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50 %)	1% Increase (8.50 %)
District's proportionate share of the net pension liability	\$ 147,211,095	\$ 77,911,095	\$ 19,414,976

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 7. Pension and Retirement Benefits (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 at www.ipers.org.

Payables to the pension plan: At June 30, 2015, the District reported payables to the defined benefit pension plan of \$971,596 for legally required employer contributions and \$647,368 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 8. Postemployment Benefits Other Than Pension Benefits

Plan description: The District participates in an Agent Multiple Employer Defined Benefit Health Care Plan called the Metro Interagency Insurance Program (MIIP). This plan provides postemployment health insurance benefits to eligible employees and their spouses. There are 288 retired members in the plan. Benefits and eligibility for union represented work groups are established and amended through collective bargaining with the recognized bargaining agent for each group. Benefits and eligibility for non-union groups are established and amended by the governing body. The plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Metro Interagency Insurance Program, 1120 33rd Avenue SW, Cedar Rapids, Iowa, 52404.

Funding policy: The contribution requirements of plan members and the District are established and may be amended by the MIIP board of trustees. MIIP members receiving benefits contribute a monthly amount that varies depending on the health plan selected and coverage of the employee at the time of retirement. The active and retiree premium equivalents effective as of the actuarial date are provided in the table below:

	Single	Employee and Spouse	Employee and Child	Family
PPO premier	\$ 505	\$ 1,032	\$ 954	\$ 1,544
PPO choice	455	929	858	1,389
HMO essential	381	778	720	1,164
HMO basic	343	701	648	1,049

The District may contribute the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities, (UAAL) (or funding excess) over a period not to exceed thirty years. At this time the District is not funding the UAAL through MIIP until the State of Iowa determines what legal mechanism is necessary to provide for its funding under Iowa law. The District contributed \$1,506,620, net of retiree premiums paid to the District in 2015.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 8. Postemployment Benefits Other Than Pension Benefits (Continued)

Annual OPEB cost and net OPEB obligation: The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 3,359,553	55.2%	\$ 3,960,748
June 30, 2014	2,225,942	85.6	4,280,992
June 30, 2015	1,802,414	83.6	4,576,786

The following table shows the components of the District's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the District's annual OPEB obligation:

Annual required contribution	\$ 2,390,588
Interest on net OPEB obligation	171,240
Adjustment to annual required contribution	(759,414)
Annual OPEB cost (expense)	1,802,414
Contributions	(1,506,620)
Increase in net OPEB obligation	295,794
Net OPEB obligation, beginning of year	4,280,992
Net OPEB obligation, end of year	\$ 4,576,786

Funded status and funding progress: The results of the July 1, 2013 valuation were rolled forward to June 30, 2015. The funded status of the plan as of June 30, 2015, was as follows:

Actuarial accrued liability (AAL)	\$ 13,385,990
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 13,385,990
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 134,464,693
UAAL as a percentage of covered payroll	9.96%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 8. Postemployment Benefits Other Than Pension Benefits (Continued)

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4 percent interest/discount rate, an annual health care cost trend rate of 6 percent per year and an inflation rate of 3 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments. The unfunded actuarial accrued liability is amortized over 30 years using level dollar open basis.

Note 9. Commitments

Total outstanding contractual commitments for construction projects at June 30, 2015 for the Physical Plant and Equipment Levy Fund was \$932,730, and for the Secure an Advanced Vision for Education Fund was \$3,340,894.

The District had encumbrances in the General Fund, Management Fund, Secure an Advanced Vision for Education Fund and Nonmajor Governmental Funds of \$715,895, \$1,698, \$9,503,291 and \$3,320,645, respectively.

Note 10. Risk Management

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. There has been no significant reduction in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 11. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through Grant Wood Area Education Agency. The District's actual amount for this purpose totals \$7,241,289 for the year ended June 30, 2015. The District's budgeted and actual share is included in these financial statements.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 12. Joint Venture

The District is a member of a joint venture with five other local government units. The joint venture, the Metro Interagency Insurance Program (MIIP), was incorporated in 1990 under a joint powers agreement in accordance with Chapter 28E of the Code of Iowa. The program provides services necessary and appropriate for the establishment, operation and maintenance of an insurance program for employee health and medical claims. MIIP is not intended to function as an insurance company for the participants; rather, it is a means of combining the administration of claims and of obtaining lower insurance rates from Commercial Insurance. Although premiums billed to the participants are determined on an actuarial basis, ultimate liability for claims remains with the respective participant and, accordingly, the insurance risks are not transferred to MIIP. In the event that a member withdraws from MIIP, the withdrawn member continues to be responsible for its share of cost arising from events occurring while it was a participating member. If the withdrawn member at any time has a negative equity balance, the withdrawn member is immediately liable and obligated to MIIP for that amount. As of June 30, 2015 the District has a negative equity balance with MIIP of approximately \$5 million. The District's contribution to the program for the year ended June 30, 2015 was \$11,006,933. MIIP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Metro Interagency Insurance Program, 1120 33rd Avenue SW, Cedar Rapids, Iowa, 52404.

Note 13. Contingencies and Subsequent Events

The District participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the District's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District anticipates such amounts, if any, will be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 14. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting* establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the District's fund balances are as follows.

	General	Management	Debt Service	Secure An Advanced Vision for Education	Nonmajor Governmental	Total
Fund balances:						
Nonspendable:						
Inventories	\$ 278,245	\$ -	\$ -	\$ -	\$ -	\$ 278,245
Prepays	16,958	-	-	-	-	16,958
Total nonspendable	295,203	-	-	-	-	295,203
Restricted:						
Categorical funding	4,219,634	-	-	-	-	4,219,634
Debt service	-	-	13,042,224	-	-	13,042,224
Management levy purposes	-	6,358,104	-	-	-	6,358,104
Student activities	-	-	-	-	1,333,910	1,333,910
Physical plant and equipment	-	-	-	-	6,547,906	6,547,906
School infrastructure	-	-	-	6,091,322	-	6,091,322
Total restricted	4,219,634	6,358,104	13,042,224	6,091,322	7,881,816	37,593,100
Assigned,						
School infrastructure	-	-	-	1,770,470	-	1,770,470
Unassigned	12,528,731	-	-	(21,612)	-	12,507,119
Total fund balances	\$ 17,043,568	\$ 6,358,104	\$ 13,042,224	\$ 7,840,180	\$ 7,881,816	\$ 52,165,892

Note 15. Pending Governmental Accounting Standards Board (GASB) Pronouncements

The GASB has issued statements not yet implemented by the District. The District's management has not yet determined the effect these Statements will have on the District's financial statements. However, the District plans to implement the standards by the required date. The Statements which will impact the District are as follows:

- GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the District beginning with its year ending June 30, 2016. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This Statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. The related disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 15. Pending Governmental Accounting Standards Board (GASB) Pronouncements (Continued)

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the District beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued July 2015, will be effective for the District beginning with its fiscal year ending June 30, 2016. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The first category of authoritative GAAP consists of GASB Statements. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.
- GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the District beginning with its fiscal year ending June 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2015

Note 16. Restatement

As a result of the adoption of GASB Statement No. 68 and No. 71, the beginning net position of the governmental activities and proprietary funds were restated. The effect on fiscal year 2014 is as follows:

	Business-Type Activities		
	Governmental Activities	Nutrition Services	Nonmajor Daycare Services
Net position June 30, 2014, as previously reported	\$ 104,963,261	\$ 2,531,122	\$ 379,494
Net pension liability at June 30, 2014	(107,173,270)	(2,643,337)	(2,665,834)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	10,937,692	269,769	272,065
Net position June 30, 2014, as restated	<u>\$ 8,727,683</u>	<u>\$ 157,554</u>	<u>\$ (2,014,275)</u>

Required Supplementary Information





Cedar Rapids Community School District

**Required Supplementary Information
Budgetary Comparison Schedule
All Governmental Funds and Proprietary Funds
Year Ended June 30, 2015**

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
Revenues:			
Local sources	\$ 97,876,800	\$ 7,565,164	\$ 105,441,964
State sources	125,938,575	61,030	125,999,605
Federal sources	9,806,338	4,948,634	14,754,972
Total revenues	233,621,713	12,574,828	246,196,541
Expenditures:			
Instruction	130,121,913	7,164	130,129,077
Support services	67,621,738	(155,732)	67,466,006
Noninstructional programs	246,412	11,916,656	12,163,068
Other expenditures, including AEA flowthrough	35,252,429	-	35,252,429
Total expenditures	233,242,492	11,768,088	245,010,580
Excess (deficiency) of revenues over expenditures	379,221	806,740	1,185,961
Other financing sources (uses):			
Proceeds from the issuances of bonds	65,603,000	-	65,603,000
Sale of capital assets	378,668	-	378,668
Payment to refunded bonds escrow agent	(57,270,194)	-	(57,270,194)
Transfers in	10,828,288	89,457	10,917,745
Transfers out	(10,439,793)	(477,952)	(10,917,745)
Total other financing sources (uses)	9,099,969	(388,495)	8,711,474
Net change in fund balances	9,479,190	418,245	9,897,435
Fund balance, beginning	42,686,702	(1,856,721)	40,829,981
Fund balance, ending	\$ 52,165,892	\$ (1,438,476)	\$ 50,727,416

See Note to Required Supplementary Information.

Budget Amounts				Variances Over (Under)	
Original		Final		Original to Final	Final to Actual
\$	119,132,292	\$	105,944,417	\$ (13,187,875)	\$ (502,453)
	110,742,277		124,776,621	14,034,344	1,222,984
	15,074,304		15,748,005	673,701	(993,033)
	244,948,873		246,469,043	1,520,170	(272,502)
	134,864,195		144,592,624	(9,728,429)	(14,463,547)
	62,232,605		75,230,554	(12,997,949)	(7,764,548)
	11,780,095		13,148,094	(1,367,999)	(985,026)
	38,711,489		48,589,442	(9,877,953)	(13,337,013)
	247,588,384		281,560,714	(33,972,330)	(36,550,134)
	(2,639,511)		(35,091,671)	(32,452,160)	36,277,632
	6,685,521		8,911,000	2,225,479	56,692,000
	15,000		20,000	5,000	358,668
	-		-	-	(57,270,194)
	12,505,040		11,709,704	(795,336)	(791,959)
	(12,505,040)		(11,709,704)	795,336	791,959
	6,700,521		8,931,000	2,230,479	(219,526)
	4,061,010		(26,160,671)	(30,221,681)	36,058,106
	43,247,496		45,597,318	(2,349,822)	4,767,337
\$	47,308,506	\$	19,436,647	\$ (27,871,859)	\$ 31,290,769



Cedar Rapids Community School District

Note to Required Supplementary Information Budgetary Comparison Schedule

Note 1. Basis of Presentation

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Directors annually adopts a budget following required public notice and hearing for all funds as a whole except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis. Appropriations lapse at fiscal year-end and then are reappropriated for the next year, if necessary.

Between January and March of each year, all departments of the District must submit budget requests to the Executive Director of Business Services so that the budget for the next fiscal year may be prepared. The budget is prepared by fund, function, program, object and facility and is presented in the 2014-15 Budget document. The 2014-15 Budget also includes information on the past year, current year estimates, requested appropriations for the next fiscal year and the number of full-time equivalent personnel available to be utilized next year.

In March, the proposed budget is presented to the Board of Directors for review. The Board of Directors holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The budget must be adopted by an affirmative vote of a majority of the Board of Directors by April 15.

Once adopted, the budget can be amended through the same process, with all budget amendments to be completed by May 31 of the budget year affected. For 2014-15, amendments increased the instructional functional area by \$9,728,429, increased total support services by \$12,997,949, increased the non-instructional programs by \$1,367,999 and other expenditures were increased by \$9,877,953 which is a 14 percent increase to ensure the District does not go over budget. The budgetary data presented in the required supplementary information reflect all approved budget amendments.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

Cedar Rapids Community School District

**Required Supplementary Information
Schedule of Employer Contributions
Iowa Public Employees Retirement System**

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 11,728,725	\$ 11,728,725	\$ -	\$ 131,340,698	8.93%
2014	11,479,526	11,479,526	-	128,598,425	8.93
2013	11,309,522	11,309,522	-	N/A	N/A
2012	10,673,605	10,673,605	-	N/A	N/A
2011	8,892,581	8,892,581	-	N/A	N/A
2010	8,511,439	8,511,439	-	N/A	N/A
2009	7,998,164	7,998,164	-	N/A	N/A
2008	6,934,490	6,934,490	-	N/A	N/A
2007	6,214,201	6,214,201	-	N/A	N/A
2006	5,994,041	5,994,041	-	N/A	N/A

N/A - information is not available for this fiscal year.

Cedar Rapids Community School District

Required Supplementary Information

**Schedule of The Employer's Proportionate Share of the Net Pension Liability
Iowa Public Employees Retirement System**

	June 30, 2014
District's proportion of the net pension liability	1.9645219%
District's proportionate share of the net pension liability	\$ 77,911,095
District's covered-employee payroll	\$ 128,598,425
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	60.58%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Cedar Rapids Community School District

Required Supplementary Information

Notes to Required Supplementary Information Iowa Public Employees Retirement System

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

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

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

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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

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

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

Cedar Rapids Community School District

Required Supplementary Information Postemployment Benefit Plan - MIIP

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2013	07/01/2011	\$ -	\$ 15,068,320	\$ 15,068,320	- %	\$ 128,232,819	11.75%
June 30, 2014	07/01/2013	-	13,385,990	13,385,990	-	130,516,081	10.26
June 30, 2015	07/01/2013	-	13,385,990	13,385,990	-	134,464,693	9.96

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2013.

Additional information follows:

- The actuarial method used to determine the ARC is the entry age actuarial cost method.
- There are no plan assets.
- The actuarial assumptions included: (1) 4 percent investment rate of return, (2) an annual health care cost trend rate of 6 percent and (3) an inflation rate of 3 percent.
- Amortization period and method is 30 years and level dollar open.



General Fund

The General Fund accounts for all revenues and expenditures traditionally associated with a government, which are not required legally or by sound financial management to be accounted for in other funds.

The District's General Fund is the operating fund that is used to account for most of the instructional and administrative aspects of the District's operations. The Fund's revenue consists primarily of local property taxes, and state and federal government aid.



Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance

Major Fund - General

Year Ended June 30, 2015

	Actual
Revenues:	
Local sources:	
Property taxes	\$ 60,924,132
Utility tax replacement excise tax	3,146,512
Income surtax	6,869,752
Tuition	4,684,090
Transportation	97,675
Investment earnings	9,594
Student activities	16,509
Fees and rents	436,536
Sales of services	1,370,177
Other	1,274,601
Total local sources	78,829,578
State sources:	
Foundation aid	80,266,246
Preschool foundation aid	1,515,230
Salary improvement program	9,065,788
AEA flowthrough	7,241,289
Nonpublic aid	813,834
Iowa Early Intervention Block grant	1,169,904
At-risk grants	1,073,249
State aid funding supplement	-
Miscellaneous state grants	7,408,763
Other	1,154,623
Total state sources	109,708,926
Federal sources:	
Title I grants	3,518,292
Carl Perkins grant	178,307
Title II grants	598,600
Individuals with Disabilities Education Act	954,566
Medicaid direct reimbursement	3,734,747
Other	171,757
Total federal sources	9,156,269
Total revenues	197,694,773

(Continued)

Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Major Fund - General

Year Ended June 30, 2015

	<u>Actual</u>
Expenditures:	
Instruction:	
Regular instruction:	
Salaries	\$ 52,769,186
Employee benefits	10,957,951
Purchased services	7,413,196
Supplies	2,077,151
Capital outlay	170,805
Other	30,048
	<u>73,418,337</u>
Special instruction:	
Salaries	21,679,073
Employee benefits	4,463,432
Purchased services	3,298,915
Supplies	310,187
Capital outlay	2,839
Other	2,268
	<u>29,756,714</u>
Vocational instruction:	
Salaries	834,492
Employee benefits	175,116
Purchased services	31,699
Supplies	46,133
Capital outlay	119,085
Other	3,830
	<u>1,210,355</u>
Other instruction:	
Salaries	12,302,014
Employee benefits	2,378,028
Purchased services	1,661,182
Supplies	684,341
Capital outlay	75,346
Other	27,946
	<u>17,128,857</u>
Total instruction	<u>121,514,263</u>

(Continued)

Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Major Fund - General

Year Ended June 30, 2015

	Actual
Support services:	
Student services:	
Salaries	\$ 4,474,030
Employee benefits	911,954
Purchased services	161,873
Supplies	46,787
Capital outlay	9,866
Other	2,162
	<u>5,606,672</u>
Instruction staff services:	
Salaries	10,116,490
Employee benefits	1,940,979
Purchased services	1,161,994
Supplies	260,858
Capital outlay	62,986
Other	1,035
	<u>13,544,342</u>
General administration services:	
Salaries	2,298,789
Employee benefits	567,006
Purchased services	473,483
Supplies	74,421
Capital outlay	21,264
Other	32,789
	<u>3,467,752</u>
School administration services:	
Salaries	9,742,774
Employee benefits	2,737,934
Purchased services	120,275
Supplies	110,722
Capital outlay	5,927
Other	38,260
	<u>12,755,892</u>
Business services:	
Salaries	3,443,266
Employee benefits	1,008,776
Purchased services	791,042
Supplies	526,517
Capital outlay	19,577
Other	109,976
	<u>5,899,154</u>

(Continued)

Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Major Fund - General

Year Ended June 30, 2015

	Actual
Support services (continued):	
Operations and maintenance:	
Salaries	\$ 6,933,391
Employee benefits	2,473,960
Purchased services	896,244
Supplies	4,474,169
Capital outlay	33,016
Other	150
	<u>14,810,930</u>
Student transportation:	
Salaries	3,469,334
Employee benefits	682,879
Purchased services	799,709
Supplies	832,577
Capital outlay	1,959
Other	330
	<u>5,786,788</u>
Total support services	<u>61,871,530</u>
Other expenditures, AEA flow-through	<u>7,241,289</u>
Total expenditures	<u>190,627,082</u>
Excess of revenues over expenditures	<u>7,067,691</u>
Other financing sources (uses):	
Transfers in	2,396,768
Transfers out	(89,457)
Total other financing sources	<u>2,307,311</u>
Net change in fund balance	9,375,002
Fund balance, beginning of year	<u>7,668,566</u>
Fund balance, end of year	<u><u>\$ 17,043,568</u></u>

Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Student Activity Fund

Accounts for funds raised by student groups. Under state law the Board retains responsibility for the Student Activity Fund's ultimate disposition.

Capital projects funds are used to account for specific resources that are restricted to expenditures for capital outlays.

Physical Plant and Equipment Levy Fund

Accounts for resources accumulated and payments made for the purchase and improvement of grounds; purchase of buildings; major repairs, remodeling, reconstructing, improving or expanding the schools or buildings; expenditures for energy conservation; and for equipment purchases. The purchase of transportation vehicles qualifies under the law.



Cedar Rapids Community School District

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2015

	Special Revenue Student Activity	Capital Projects Physical Plant and Equipment Levy	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,417,065	\$ 7,883,274	\$ 9,300,339
Receivables:			
Taxes:			
Current year	-	35,952	35,952
Succeeding year	-	8,547,552	8,547,552
Interest	-	541	541
Other	246	7,074	7,320
Due from other governments	-	469	469
Due from other funds	-	-	-
Total assets	\$ 1,417,311	\$ 16,474,862	\$ 17,892,173
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 30,551	\$ 1,018,273	\$ 1,048,824
Due to other funds	52,850	361,131	413,981
Total liabilities	83,401	1,379,404	1,462,805
Deferred inflows of resources, unavailable revenue - property taxes	-	8,547,552	8,547,552
Fund balances, restricted	1,333,910	6,547,906	7,881,816
Total liabilities, deferred inflows of resources and fund balance	\$ 1,417,311	\$ 16,474,862	\$ 17,892,173

Cedar Rapids Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds Year Ended June 30, 2015

	Special Revenue Student Activity	Capital Projects Physical Plant and Equipment Levy	Total Nonmajor Governmental Funds
Revenues:			
Local sources:			
Local taxes	\$ -	\$ 4,942,184	\$ 4,942,184
Other local sources	4,152,706	173,213	4,325,919
State sources	-	83,178	83,178
Federal sources	-	74,514	74,514
Total revenues	4,152,706	5,273,089	9,425,795
Expenditures:			
Current:			
Instruction, other instruction	4,157,269	-	4,157,269
Support services:			
Business services	-	9,050	9,050
Operations and maintenance	-	215,406	215,406
Student transportation	-	13,152	13,152
Total support services	-	237,608	237,608
Facilities acquisition	-	3,458,664	3,458,664
Total expenditures	4,157,269	3,696,272	7,853,541
Excess (deficiency) of revenues over (under) expenditures	(4,563)	1,576,817	1,572,254
Other financing sources (uses):			
Proceeds on disposal of capital assets	-	220,636	220,636
Transfers in	-	383,552	383,552
Transfers out	-	(1,650,734)	(1,650,734)
Total other financing (uses)	-	(1,046,546)	(1,046,546)
Net changes in fund balances	(4,563)	530,271	525,708
Fund balance (deficit), beginning of year	1,338,473	6,017,635	7,356,108
Fund balance, end of year	\$ 1,333,910	\$ 6,547,906	\$ 7,881,816

Cedar Rapids Community School District

Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Assets				
Cash	\$ 136	\$ 215	\$ (351)	\$ -
Liabilities				
Accounts payable	\$ 136	\$ 215	\$ (351)	\$ -



Cedar Rapids Community School District

Statistical Section

Contents

The statistical section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	69 - 75
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	76 - 79
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	80 - 83
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	84 - 85
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	86 - 93

Schedule 1
Cedar Rapids Community School District

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Governmental activities										
Net investment in capital assets	\$ 88,883,139	\$ 83,850,937	\$ 67,290,267	\$ 42,660,734	\$ 62,090,605	\$ 57,843,722	\$ 53,695,772	\$ 34,637,424	\$ 29,071,894	\$ 30,011,701
Restricted (3)	20,680,197	26,872,520	37,189,039	51,367,431	32,012,691	15,521,674	16,749,730	16,787,362	7,702,746	4,992,969
Unrestricted (2)	(78,355,708)	(5,760,196)	(9,155,359)	(1,307,513)	(11,568,320)	1,826,879	2,605,267	14,637,377	13,101,102	9,947,465
Total Governmental activities	\$ 31,207,628	\$ 104,963,261	\$ 95,323,947	\$ 92,720,652	\$ 82,534,976	\$ 75,192,275	\$ 73,050,769	\$ 66,062,163	\$ 49,875,742	\$ 44,952,135
Business type activities										
Net investment in capital assets	1,034,198	787,396	628,541	516,911	546,333	540,774	527,720	564,015	505,235	462,850
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (2)	(2,472,674)	2,123,220	2,381,534	2,365,129	2,067,299	1,777,165	1,370,513	1,377,438	1,538,981	1,344,617
Total Business type activities	(1,438,476)	\$ 2,910,616	\$ 3,010,075	\$ 2,882,040	\$ 2,613,632	\$ 2,317,939	\$ 1,898,233	\$ 1,941,453	\$ 2,044,216	\$ 1,807,467
Primary Government										
Net investment in capital assets (1)	89,917,337	84,638,333	67,918,808	43,177,645	62,636,938	58,384,496	54,223,492	35,201,439	29,577,129	30,474,551
Restricted	20,680,197	26,872,520	37,189,039	51,367,431	32,012,691	15,521,674	16,749,730	16,787,362	7,702,746	4,992,969
Unrestricted (2)	(80,828,382)	(3,636,976)	(6,773,825)	(1,057,616)	(9,501,021)	3,604,044	3,975,780	16,014,815	14,640,083	11,292,082
Total Primary Government	\$ 29,769,152	\$ 107,873,877	\$ 98,334,022	\$ 95,602,692	\$ 85,148,608	\$ 77,510,214	\$ 74,949,002	\$ 68,003,616	\$ 51,919,958	\$ 46,759,602

Source: CRCSF Financial Records

(1) Between FY2008 & FY2009 net investment in capital assets, increased by 54 percent or \$19 million, largely due to an increase of \$6.7 million in capital assets and the payment of \$7.5 million in remaining debt on a \$10 million, 2001 general obligation bond issue.

(2) Unrestricted Net Position declined significantly in FY2015 for both Governmental and Business type activities due to the impact of GASB68 compliance and a resulting impact of a new net pension liability of \$77,911,095 shared between Governmental and Business type activities at \$74,233,692 and Business type activities at \$3,677,403. Unrestricted Net Position also declined significantly in FY2011 from FY2010 due to \$4.9 million in new categories of restricted reserves not previously reported in FY2010 as well as an increase of \$10 million in restricted reserves related to school infrastructure.

(3) Restricted Net Position increased from \$32 million to \$51.4 million in FY2012 largely due to an increase of \$17 million in the SAVE Fund related to debt issuances committed to sinking fund/reserve fund requirements and capital investments in infrastructure. A reduction of \$17.2 million in FY13, \$10.3 million in FY14 and \$XX.X million in FY15 is reflective of planned spend down of these restricted funds.

Schedule 2
Cedar Rapids Community School District
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Expenses										
Governmental activities:										
Instruction:										
Regular instruction	\$ 75,114,121	\$ 77,735,342	\$ 71,109,802	\$ 69,875,055	\$ 74,294,843	\$ 72,402,579	\$ 71,990,885	\$ 57,529,082	\$ 52,798,449	\$ 35,244,717
Special instruction	28,739,317	31,769,307	40,861,842	39,144,288	38,942,281	37,719,118	40,305,169	50,293,076	49,433,979	47,377,434
Vocational instruction	1,171,341	1,416,369	1,410,611	1,376,871	1,329,036	1,227,137	1,138,205	1,052,903	1,033,006	1,033,006
Other instruction	20,844,653	19,944,875	20,449,838	20,624,027	24,545,868	22,606,625	19,943,628	7,261,577	6,991,546	7,269,449
Total instruction	125,869,432	130,865,893	133,842,093	131,020,241	139,112,028	133,954,459	133,421,687	116,222,005	110,276,877	90,924,606
Support services:										
Student services	5,429,282	5,495,362	5,656,741	5,359,869	4,977,631	4,538,595	4,561,206	4,420,226	4,195,708	4,413,031
Instructional staff services	15,091,885	11,401,346	7,534,866	7,621,472	8,129,012	8,129,012	6,984,503	7,035,747	6,579,274	7,037,494
General administration services	3,529,362	5,374,535	4,693,205	4,653,363	3,545,874	3,538,854	3,281,946	2,825,902	2,351,789	2,811,090
School administration services	13,122,763	13,177,716	12,144,472	12,249,699	13,906,071	12,328,078	12,346,434	11,521,526	10,869,328	10,216,281
Business services	5,596,489	5,232,791	6,293,509	5,680,845	6,088,161	5,622,533	5,936,881	5,772,893	5,082,014	4,771,895
Operations and maintenance	23,628,837	19,612,352	17,142,185	17,982,028	17,837,328	18,398,999	23,205,730	16,265,748	15,502,986	26,502,896
Student transportation	7,281,662	7,665,626	7,951,558	6,610,408	7,359,083	5,548,807	4,615,988	3,944,228	3,383,138	3,212,985
Total support services (3)	73,680,280	68,159,728	61,416,536	60,157,685	62,189,425	58,104,878	60,932,688	51,786,270	47,974,237	58,965,672
Non-instructional programs:										
Food Services	226,745	100,701	116,539	97,989	168,194	201,939	174,635	120,444	156,605	124,903
Community services	19,667	49,137	137,933	93,866	27,825	17,196	36,646	55,146	1,286,905	2,511,824
Total non-instructional expenditures	246,412	149,838	254,472	191,855	196,019	219,135	211,281	175,590	1,423,510	2,636,727
Facilities acquisition/construction	-	-	-	-	-	-	-	1,706,264	3,251,130	4,008,904
Interest on long-term debt	5,410,128	5,286,603	7,061,533	6,969,583	3,033,480	2,467,687	2,964,692	3,131,456	3,230,399	2,452,755
AEA flow through	7,241,289	6,679,239	6,626,750	6,585,536	7,259,732	7,235,780	6,606,831	6,232,507	5,916,552	5,527,722
Total other expenditures	12,651,417	12,165,842	13,688,283	13,555,119	10,293,212	9,703,467	9,571,523	11,070,227	12,398,081	11,989,381
Total governmental activities	212,447,541	211,341,301	209,201,384	204,924,900	211,770,684	201,981,939	204,137,179	179,254,092	172,072,705	164,516,386
Business type activities:										
Non-instructional programs:										
Day care services	4,389,636	4,447,660	4,462,868	4,490,566	4,288,063	3,862,538	3,582,403	3,345,702	1,565,083	-
Nutrition services	7,378,452	8,073,582	7,892,438	7,666,183	7,468,171	7,377,936	7,267,744	6,889,696	6,602,417	6,281,144
Total Business type activities	11,768,088	12,521,242	12,355,306	12,156,749	11,756,234	11,240,474	10,850,147	10,235,398	8,167,500	6,281,144
Total primary government expenses	224,215,629	223,862,543	221,556,690	217,081,649	223,526,918	213,222,413	214,987,326	189,489,490	180,240,205	170,797,530
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	9,548,001	9,199,381	9,354,805	9,618,215	9,911,113	9,698,875	10,796,979	10,601,806	10,595,248	10,646,676
Support	792,749	783,739	533,744	382,035	404,214	516,918	124,095	158,590	430,377	515,063
Non-instruction	624,993	602,627	602,545	663,854	620,996	626,433	595,378	466,431	1,965,778	3,007,013
Operating grants and contributions (1) (3)	36,595,764	29,485,461	28,146,816	28,242,870	38,179,998	42,074,181	29,048,366	24,276,159	21,281,797	19,133,035
Capital grants and contributions (2)	133,544	786,573	979,130	3,421,846	6,657,524	2,639,870	10,577,612	50,000	-	25,225
Total governmental activities	47,695,051	40,857,781	39,617,040	42,328,820	55,773,845	55,556,277	51,142,420	35,552,986	34,273,200	33,327,012
Business type activities:										
Charges for services:										
Day care services	4,409,491	4,347,101	4,214,598	4,504,350	4,214,767	3,729,707	3,531,988	3,299,664	1,536,100	-
Nutrition Services	3,066,837	3,181,492	3,246,044	3,308,093	3,389,056	3,555,839	3,457,122	3,440,611	3,455,744	3,427,753
Operating grants and contributions	120,998	111,976	74,669	84,491	79,298	58,221	40,897	22,128	4,591	-
Day care services	4,888,666	4,875,488	4,932,927	4,669,048	4,483,597	4,278,906	3,863,594	3,455,026	3,524,044	3,370,984
Capital grants and contributions	-	-	-	-	-	175,000	-	-	-	-
Day care services	-	-	-	-	-	-	-	-	-	-
Nutrition Services	-	-	176,698	-	-	-	62,578	-	-	-
Total business type activities	12,485,992	12,516,057	12,645,136	12,565,982	12,166,718	11,798,673	10,956,189	10,217,429	8,520,479	6,798,737
Total primary government program revenues	60,181,043	53,373,838	52,262,176	54,894,802	67,940,563	67,354,950	62,098,609	45,770,415	42,793,679	40,125,749
Net (Expense)/Revenue										
Governmental activities	(164,752,490)	(170,483,520)	(169,584,344)	(162,596,080)	(155,996,839)	(146,425,662)	(152,994,759)	(143,701,106)	(137,799,505)	(131,189,374)
Business type activities	717,904	(5,185)	289,830	109,233	410,484	558,189	106,042	(17,989)	352,879	517,593
Total primary government net expense	\$ (164,034,586)	\$ (170,488,705)	\$ (169,294,514)	\$ (162,186,847)	\$ (155,586,355)	\$ (145,867,463)	\$ (152,886,717)	\$ (143,719,079)	\$ (137,446,526)	\$ (130,671,781)

Sources: CRCSO Financial Records
 (1) Operating grants and contributions increased significantly between FY2010 and FY2009 due to an increase of approximately \$13 million in federal monies, mostly related to the federal stimulus program to schools. By the end of FY2012, the federal stimulus program to schools was essentially ended reflecting a decline of nearly \$10 million in this area.
 (2) Capital grants and contributions declined significantly in FY2010 and then increased significantly in FY2011 due to the timing of FEMA reimbursements received related to the District's flood recovery program. FY2014 marks the final year of FEMA reimbursements related to the 2008 Flood.
 (3) Increases in Support Services expenditures in FY2015 is related to the new \$5.2 million Teacher Leadership and Compensation Grant awarded to the District by the State.

Schedule 3
Cedar Rapids Community School District

General Revenues and Total Change in Net Position
(accrual basis of accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Net (Expense)/Revenue										
Governmental activities	\$ (164,752,490)	\$ (170,483,520)	\$ (169,584,344)	\$ (162,596,080)	\$ (155,996,839)	\$ (146,425,662)	\$ (152,994,759)	\$ (143,701,106)	\$ (137,799,505)	\$ (131,189,374)
Business-type activities	717,904	(5,185)	289,830	409,233	410,484	558,199	106,042	(17,969)	352,979	517,593
Total primary government net expense	(164,034,586)	(170,488,705)	(169,294,514)	(162,186,847)	(155,586,355)	(145,867,463)	(152,888,717)	(143,719,075)	(137,446,526)	(130,671,781)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes levied for general purposes(1)	72,618,145	71,560,255	68,392,133	65,690,272	63,242,917	55,473,882	54,825,920	53,043,100	53,809,700	54,246,327
Property taxes levied for debt service	-	-	-	-	-	-	695	1,789,051	3,606,784	3,667,686
Property taxes levied for capital projects	4,717,396	4,565,888	4,381,606	4,266,592	4,062,241	4,025,457	4,036,178	4,273,948	4,024,504	3,985,918
Secure and Advanced Vision for Education (SAVE) (2)	16,746,385	14,493,351	13,964,236	15,499,785	16,467,769	16,792,473	16,910,932	16,198,462	-	-
Income surtaxes	6,869,752	8,773,543	6,483,657	6,245,479	6,018,754	7,286,421	7,954,055	7,254,909	5,614,790	3,239,523
Grants not restricted to specific programs	82,077,802	79,120,660	76,163,093	75,965,607	71,276,920	61,586,974	73,743,422	73,666,870	71,330,072	67,944,624
Investment earnings	155,078	290,297	464,753	2,221,668	1,096,081	1,807,149	1,807,149	2,949,098	3,346,105	1,510,041
Miscellaneous	3,659,382	1,145,978	2,106,025	2,656,601	1,780,172	2,103,712	457,346	520,723	739,479	988,048
Transfers	388,495	172,862	232,136	235,752	242,600	202,168	193,867	191,366	251,678	231,757
Total Governmental activities	187,232,435	180,122,834	172,187,639	172,781,756	163,339,540	148,567,168	159,929,564	159,887,527	142,723,112	135,793,924
Business-type activities										
Investment earnings	2,256	2,257	2,805	3,081	6,596	6,270	27,090	92,021	95,425	59,219
Miscellaneous	86,580	76,331	67,536	91,846	121,213	57,405	17,515	14,551	40,023	1,374
Transfers	(388,495)	(172,862)	(232,136)	(235,752)	(242,600)	(202,168)	(193,867)	(191,366)	(251,678)	(231,757)
Total Business-type activities	(299,659)	(94,274)	(161,795)	(140,825)	(114,791)	(138,493)	(149,262)	(84,794)	(116,230)	(171,164)
Total primary government	186,932,776	180,028,560	172,025,844	172,640,931	163,224,749	148,428,675	159,780,302	159,802,733	142,606,882	135,622,760
Change in Net Position										
Governmental activities	22,479,945	9,639,314	2,603,295	10,185,676	7,342,701	2,141,506	6,934,805	16,186,421	4,923,607	4,604,550
Business-type activities	418,245	(99,459)	128,035	268,408	295,693	419,706	(43,220)	(102,763)	236,749	346,429
Total primary government (3)	\$ 22,898,190	\$ 9,539,855	\$ 2,731,330	\$ 10,454,084	\$ 7,638,394	\$ 2,561,212	\$ 6,891,585	\$ 16,083,658	\$ 5,160,356	\$ 4,950,979

Source: CRCSD Financial Records

- (1) Changes in property tax revenues are a product of underlying changes in property values and tax rates. See Schedules 8-11.
(2) FY 2006 was the first year the District collected Secure an Advanced Vision for Education (SAVE) tax revenues.
(3) The increase in net position was a largely a result of reductions in Governmental activities expenditures and increases in Governmental activities revenues primarily from Secure an Advanced Vision for Education (SAVE) tax revenues and State Foundation Aid.

Schedule 4
Cedar Rapids Community School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
General Fund										
Nonspendable	\$ 603,863	\$ 297,646	\$ 266,630	\$ 272,678	\$ 202,037	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,219,634	4,172,776	4,599,248	4,215,252	3,291,584	-	-	-	-	-
Unassigned	12,220,071	3,198,144	(1,359,423)	6,603,290	5,582,820	-	-	-	-	-
Reserved	-	-	-	-	-	5,961,716	5,583,056	3,900,705	1,093,086	2,210,914
Unreserved	-	-	-	-	-	999,069	11,524,431	19,386,712	19,914,489	16,545,221
Total general fund (6)	17,043,568	7,668,566	3,506,455	11,091,220	9,076,441	6,960,785	17,107,487	23,287,417	21,007,575	18,756,135
All Other Governmental Funds										
Restricted (5)	\$ 33,373,466	\$ 33,299,233	\$ 43,199,945	\$ 55,758,753	\$ 32,282,105	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	1,770,470	1,718,903	2,758,335	2,758,335	2,758,335	-	-	-	-	-
Unassigned	(21,612)	-	(5,518,720)	(5,074,482)	(6,408,596)	-	-	-	-	-
Reserved (1)	-	-	-	-	-	20,853,726	8,522,609	7,402,039	1,760,326	2,743,460
Unreserved, reported in:										
Capital projects funds (3)	-	-	-	-	-	(7,195,996)	4,837,202	4,985,622	-	-
Special revenue funds (4)	-	-	-	-	-	1,646,533	872,521	5,987,767	7,440,311	4,790,200
Debt service funds (2)	-	-	-	-	-	113,436	24,769,620	31,805,918	31,884,219	31,897,942
Total all other governmental funds	35,122,324	35,018,136	40,439,560	53,442,606	28,631,844	15,417,699	39,001,952	50,181,346	41,084,856	39,431,602
Total all governmental funds	\$ 52,165,892	\$ 42,686,702	\$ 43,946,015	\$ 64,533,826	\$ 37,708,285	\$ 22,378,484	\$ 56,109,439	\$ 73,468,763	\$ 62,092,431	\$ 58,187,737

Source: CRCSF Financial Records

Notes:
GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in fiscal year 2011. As a result, all fund balances information beginning with fiscal year 2011 are based upon this new statement. For additional information on GASB Statement No. 54, please refer to the note entitled, "Fund Balances" in the Notes to the Basic Financial Statements.

(1) The district reserved capital projects funds provided by G.O. bond sales beginning in 2001 totaling \$46 million using these funds for the district's five year program of building additions and improvements. Increases in reserved balances in FY2008 are due to the first year use of the Secure an Advanced Vision for Education (SAVE) Fund.

(2) During fiscal year 2006, the District sold \$31.385 million in school refunding general obligation bonds that were used to fully repay the \$46 million in G.O. bonds issuance in fiscal year 2010.

(3) The Capital Projects fund unreserved balance went negative in FY2010 as there was \$10,941,527 fund balance, but \$18,137,523 in encumbrances. In 2009 the fund balance was \$10,955,157 with \$6,117,955 in encumbrances.

(4) Reduction in unreserved fund balance between FY2008 and FY2010 is related to Recovery Fund unreimbursed FEMA flood recovery related expenditures.

(5) Increase of Restricted fund balance of \$23 million in FY2012 is related to the issuance of \$53 million in SAVE funded debt partially unused. Planned expenditures of these funds further reduced this category in FY2013, FY2014 and FY2015.

(6) Improvements in the General Fund reserves for FY2015 is largely the result of implementation of \$6 million in budget adjustments as well as the continuation of a \$13 million cash reserve levy.

Schedule 5
Cedar Rapids Community School District

Governmental Funds Revenues

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Federal Sources:										
Federal grants(1)	\$ 9,806,338	\$ 13,591,446	\$ 9,953,558	\$ 11,889,036	\$ 23,779,865	\$ 23,736,739	\$ 14,449,117	\$ 6,981,030	\$ 6,545,552	\$ 6,219,870
Total federal sources	9,806,338	13,591,446	9,953,558	11,889,036	23,779,865	23,736,739	14,449,117	6,981,030	6,545,552	6,219,870
State Sources:										
State foundation aid(1)	80,266,246	75,545,176	74,840,756	74,460,283	68,970,258	59,922,492	72,563,503	72,693,265	70,348,123	67,090,548
State grants and other(2)	45,672,329	39,759,972	21,059,097	20,670,969	22,291,461	22,059,971	22,925,608	18,165,337	15,336,309	13,507,224
Total state sources	125,938,575	115,305,148	95,899,853	95,131,252	91,261,719	81,982,463	95,489,111	90,858,602	85,684,432	80,597,772
Local sources										
Local taxes(2)	84,205,293	84,899,686	93,221,631	92,502,128	88,991,680	84,919,931	82,386,081	82,559,471	67,055,778	64,684,608
Tuition	4,684,090	4,695,048	4,953,225	4,755,530	4,844,482	4,670,374	5,107,472	5,168,304	5,197,330	5,073,800
Other local sources	8,987,417	7,575,197	8,550,499	11,134,514	8,585,502	8,850,824	9,083,484	9,681,740	12,261,546	11,860,064
Total local sources	97,876,800	97,169,931	106,725,355	108,392,172	102,421,664	98,441,129	96,577,037	97,409,515	84,514,654	81,618,472
Total governmental revenues	\$ 233,621,713	\$ 226,066,525	\$ 212,578,766	\$ 215,412,460	\$ 217,463,248	\$ 204,160,331	\$ 206,515,265	\$ 195,249,147	\$ 176,744,638	\$ 168,436,114

Source: CRCSD Financial Records

(1) FEMA monies received in FY2014 related to flood recovery efforts, caused a spike up in federal sources with a return to "normal" levels in FY2015. Federal stimulus monies received in FY2010 and FY2011 had the effect of increasing the federal grants category, with a corresponding reduction in State foundation aid in the same time period. In order to help balance its budget, the State of Iowa reduced State Aid to schools and in large part replaced these dollars with federal stimulus monies. For FY2012, State foundation aid funding has returned to "expected" levels.

(2) Increases for FY2015 here are related to the award of a \$5.2 million Teacher Leadership and Compensation State grant. Beginning in FY2014, monies collected from the Statewide "Secure an Advanced Vision for Education" (SAVE) Tax are considered State revenues, not local taxes. This is the reason for the increase in State grants and other category and the corresponding decrease in the Local taxes category.

Schedule 6
Cedar Rapids Community School District
Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Instruction:										
Regular instruction	\$ 77,868,718	\$ 76,908,440	\$ 71,429,408	\$ 68,184,007	\$ 69,191,417	\$ 68,328,331	\$ 66,128,081	\$ 56,896,463	\$ 52,442,393	\$ 48,617,588
Special instruction	29,756,714	31,708,940	40,581,394	39,143,434	38,941,398	37,714,357	40,110,183	50,315,260	49,521,780	47,346,296
Vocational instruction	1,210,355	1,413,807	1,395,557	1,367,548	1,334,357	1,230,077	1,174,301	1,133,476	1,077,036	1,028,230
Other instruction	21,286,126	19,909,797	20,307,485	20,622,948	24,547,768	22,507,719	19,158,533	7,240,929	7,007,559	7,236,953
Total Instruction	130,121,913	129,940,984	133,713,844	129,317,933	134,014,940	129,780,484	126,571,098	115,586,128	110,048,768	104,229,067
Support services:										
Student services	5,606,672	5,484,107	5,623,392	5,360,712	4,971,813	4,541,787	4,532,956	4,410,603	4,199,028	4,407,235
Instructional staff services (1)	15,528,954	9,849,508	7,602,176	7,683,992	8,391,798	8,159,522	6,878,263	7,060,479	6,694,537	6,947,720
General administration services	3,630,234	3,733,275	3,411,657	2,849,146	2,776,345	2,726,123	2,715,988	2,618,225	2,442,675	2,684,763
School administration services	13,492,618	12,940,423	12,811,320	12,446,377	12,725,266	12,069,782	11,849,936	11,278,961	10,884,948	9,935,238
Business services	6,109,852	5,366,101	6,293,777	5,146,159	5,588,720	5,584,607	5,789,293	5,561,249	5,006,712	4,600,804
Operations and maintenance	16,984,560	16,825,814	16,607,966	17,242,210	17,387,785	18,020,623	22,550,281	16,268,227	14,962,507	14,441,325
Student transportation	6,268,848	7,019,774	7,179,367	5,836,541	6,750,524	5,055,464	5,156,301	4,034,637	3,374,731	2,855,444
AEA flowthrough	7,241,289	6,879,239	6,626,750	6,585,536	7,259,732	7,235,780	6,606,831	6,232,507	5,916,552	5,527,722
Total support services	74,863,027	68,098,241	66,156,405	63,150,673	65,851,983	63,393,688	66,079,849	57,464,888	53,481,690	51,400,251
Non-instructional programs:										
Food service	226,745	100,701	116,539	97,989	168,194	201,939	174,635	120,444	156,605	124,903
Community services	19,667	49,137	107,824	93,866	27,825	17,196	8,727	55,146	1,367,196	2,499,084
Total non-instructional services	246,412	149,838	224,363	191,855	196,019	219,135	183,362	175,590	1,523,801	2,623,987
Other expenditures:										
Debt Service										
Principal	2,725,000	2,595,000	2,495,000	2,495,000	2,390,000	26,805,000	9,050,000	2,050,000	2,250,000	2,210,000
Interest	5,323,475	5,389,345	5,482,908	5,838,578	1,992,902	2,619,410	3,044,468	3,139,398	3,569,506	2,021,843
Bond Issuance Costs	368,537	-	-	924,019	759,582	-	-	-	-	-
Capital Outlay										
Facility acquisition/construction	19,594,128	21,634,075	25,633,248	40,609,496	39,244,082	15,863,521	17,619,768	5,648,177	2,217,857	2,954,257
Total other expenditures	28,011,140	29,618,420	33,611,156	49,867,093	44,386,566	45,287,931	29,714,236	10,837,575	8,037,363	7,186,100
Total expenditures	\$ 233,242,492	\$ 227,807,483	\$ 233,705,768	\$ 242,527,554	\$ 244,449,508	\$ 238,681,238	\$ 222,548,545	\$ 184,064,181	\$ 173,091,622	\$ 165,439,405
Transfers out	10,439,793	10,440,035	10,790,574	21,406,538	11,383,410	6,576,134	6,810,492	5,862,367	3,577,336	1,873,918
Total expenditures and transfers	\$ 243,682,285	\$ 238,247,518	\$ 244,496,342	\$ 263,934,092	\$ 255,832,918	\$ 245,257,372	\$ 229,359,037	\$ 189,926,548	\$ 176,668,958	\$ 167,313,323
Debt service as a percentage of noncapital expenditures	3.78%	3.84%	3.84%	4.07%	2.11%	13.01%	5.81%	2.91%	3.41%	2.60%

Source: CRCSD Financial Records

(1) Increases here for FY2015 here are related to the award of a \$5.2 million Teacher Leadership and Compensation State grant.

Schedule 7
Cedar Rapids Community School District

Other Financing Sources and Uses and Net Change in Fund Balances -
Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

		2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Excess of revenues over (under) expenditures	\$	379,221	(1,740,958)	(21,127,002)	(27,115,094)	(26,986,260)	(34,520,907)	(16,033,280)	11,184,966	3,653,016	2,996,709
Other Financing Sources (Uses)											
Bond issuance proceeds	65,603,000	-	-	-	53,425,000	30,000,000	-	-	-	-	31,385,000
Qualified School Construction Bonds	-	-	-	-	-	11,842,461	-	-	-	-	-
Qualified zone academy bond proceeds, (QZAB)	-	-	-	-	-	-	-	-	-	-	-
Capital loan proceeds	-	-	-	-	-	-	-	-	-	-	-
Premium on bonds	-	-	-	-	279,883	231,000	-	-	-	-	753,744
Sale of capital assets	378,668	308,783	307,055	-	-	-	-	-	-	-	-
Payment to refunding escrow agent	(57,270,194)	-	-	-	-	-	-	-	-	-	(300,709)
Transfers in	10,828,288	10,612,897	11,022,710	21,642,290	11,626,010	6,778,302	7,004,359	6,053,733	3,829,014	2,105,675	
Transfers out	(10,439,793)	(10,440,035)	(10,790,574)	(21,406,538)	(11,383,410)	(6,576,134)	(6,810,492)	(5,862,367)	(3,577,336)	(1,873,918)	
Total other financing sources (uses)	9,099,969	481,645	539,191	53,940,635	42,316,061	202,168	193,867	191,366	251,678	32,069,792	
Special item, misappropriated collections (1)	-	-	-	-	-	-	587,784	-	-	-	-
Net change in fund balances	\$	9,479,190	(1,259,313)	(20,587,811)	26,825,541	15,329,801	(33,730,955)	(15,839,413)	11,376,332	3,904,694	35,066,501

Source: CRCSD Financial Records

(1) Special item, misappropriated collections - represents a reimbursement payment from the District's insurance company for embezzled monies as identified through a special audit from the State Auditors Office.

Reduction in fund balances that occurred in the General Fund -\$10.2 million and Debt Service Fund, -\$24.7 million pay the major role in the net change in fund balances for FY2010. Increases in fund balances in FY2011 and FY2012 are the result of SAVE funded debt sales totaling \$95.3 million during the period. The net change in fund balances of -\$20.6 million in FY2013 is due to the planned spend down of SAVE funded bond resources from FY2012.

Schedule 8
Cedar Rapids Community School District
Assessed Value and Taxable Value of Property
Last Ten Fiscal Years

Calendar Year Assessed	Fiscal Year Collected	Assessed Valuations (Excluding Tax Increment Financing (TIF) Property)					Taxable Valuations (Excluding Tax Increment Financing (TIF) Property)					Total District Levy Rate				
		Agriculture	Residential (net of personal exemptions)	Commercial	Industrial	Railroad	Utility with Gas & Elect	Total	Agriculture	Residential (net of personal exemptions)	Commercial		Industrial	Railroad	Utility	Total
2013	2015	\$79,363,811	\$5,979,232,433	\$1,440,990,908	\$107,264,831	\$17,444,673	\$760,458,858	\$9,384,755,514	\$34,419,470	\$3,175,237,528	\$1,358,690,177	\$101,175,211	\$16,572,440	\$271,900,542	\$4,957,995,368	15.48446
2012	2014	54,162,156	5,971,445,154	1,388,057,474	103,839,313	15,697,828	717,526,489	8,250,728,414	32,456,272	3,086,530,545	1,388,057,474	103,839,313	15,697,828	263,457,537	4,890,038,969	15.47881
2011	2013	54,064,483	5,976,761,826	1,403,278,699	103,785,961	13,304,326	662,699,848	8,213,895,153	31,101,875	2,977,508,920	1,402,946,208	103,785,961	13,304,326	266,730,830	4,795,378,120	15.16089
2010	2012	45,857,297	5,895,100,852	1,387,243,273	102,818,639	10,607,098	679,104,065	8,100,731,224	31,643,323	2,804,984,611	1,366,868,202	102,818,639	10,607,098	279,691,349	4,596,613,222	15.16034
2009	2011	45,891,624	5,692,962,027	1,385,647,129	101,590,297	9,418,247	585,996,113	7,821,508,437	30,413,090	2,630,471,146	1,385,371,036	101,590,297	9,418,247	269,938,673	4,427,202,489	15.17046
2008	2010	31,730,283	5,710,395,725	1,403,021,409	107,850,959	9,871,922	489,883,644	7,752,753,942	29,780,771	2,540,781,003	1,402,497,582	107,850,959	9,871,922	288,522,116	4,279,304,353	13.91816
2007	2009	31,747,541	5,595,718,052	1,419,522,183	107,055,978	10,484,209	487,045,482	7,651,573,445	28,604,901	2,410,979,922	1,414,846,729	107,055,978	10,486,029	280,097,553	4,252,041,112	13.91816
2006	2008	27,934,026	5,174,626,908	1,410,222,827	106,108,599	7,938,210	497,278,469	7,223,109,039	27,920,517	2,298,961,538	1,409,288,668	106,108,599	7,938,210	279,337,082	4,128,554,614	14.37481
2005	2007	28,105,239	5,052,746,435	1,391,845,115	108,357,318	6,628,899	416,205,516	7,003,888,522	28,105,239	2,266,746,134	1,378,968,921	108,357,318	6,572,612	296,967,354	4,085,717,578	14.90212
2004	2006	26,721,250	4,673,169,700	1,416,088,184	111,510,494	5,678,904	392,181,745	6,625,350,277	26,721,250	2,194,766,570	1,416,088,184	111,510,494	5,678,904	295,602,568	4,050,367,970	15.25042
Calendar Year Assessed		State Rollback Factors														
		Agriculture	Residential	Commercial	Industrial	Railroad	Utility									
2013		43.3997%	54.4002%	95.0000%	95.0000%	95.0000%	100.0000%									
2012		59.9334%	52.8166%	100.0000%	100.0000%	100.0000%	100.0000%									
2011		57.5411%	50.7518%	100.0000%	100.0000%	100.0000%	100.0000%									
2010		69.0152%	48.5299%	100.0000%	100.0000%	100.0000%	100.0000%									
2009		66.2715%	46.9084%	100.0000%	100.0000%	100.0000%	100.0000%									
2008		93.8568%	45.5883%	100.0000%	100.0000%	100.0000%	100.0000%									
2007		90.1023%	44.0803%	99.7312%	100.0000%	100.0000%	98.7312%									
2006		100.0000%	45.5596%	100.0000%	100.0000%	100.0000%	100.0000%									
2005		95.9960%	99.1509%	100.0000%	100.0000%	100.0000%	100.0000%									
2004		100.0000%	47.9642%	100.0000%	100.0000%	100.0000%	100.0000%									

State Rollback Factors

Calendar Year Assessed	Agriculture	Residential	Commercial	Industrial	Railroad	Utility
2013	43.3997%	54.4002%	95.0000%	95.0000%	95.0000%	100.0000%
2012	59.9334%	52.8166%	100.0000%	100.0000%	100.0000%	100.0000%
2011	57.5411%	50.7516%	100.0000%	100.0000%	100.0000%	100.0000%
2010	68.0152%	48.5289%	100.0000%	100.0000%	100.0000%	100.0000%
2009	66.2715%	46.9084%	100.0000%	100.0000%	100.0000%	100.0000%
2008	93.8568%	45.5893%	100.0000%	100.0000%	100.0000%	100.0000%
2007	90.1023%	44.0803%	99.7312%	100.0000%	99.7312%	100.0000%
2006	100.0000%	45.5596%	100.0000%	100.0000%	100.0000%	100.0000%
2005	100.0000%	45.9960%	99.1509%	100.0000%	100.0000%	100.0000%
2004	100.0000%	47.9642%	100.0000%	100.0000%	100.0000%	100.0000%

Source: Linn County Auditor

Note: Property is "Assessed" at actual value. Taxable value is arrived through a series of calculations largely involving the use of the State Rollback Factor related to the corresponding property class. The District levy rate is then applied to the "Taxable Value" of property lying within District boundaries.

Schedule 9
Cedar Rapids Community School District

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years
(rate per \$1,000 of taxable value)

Cedar Rapids Community Schools District Direct Rates				Overlapping Rates ⁽¹⁾					
Fiscal Year	General Purposes	Capital Purposes	Total	City of Cedar Rapids	Town of Bertram	City of Hiawatha	City of Marion	Town of Palo Robins	Linn County
2015	\$14.55646	\$0.92800	\$15.48446	\$15.21621	\$4.21621	\$15.20483	\$13.12953	\$13.02338	\$7.93060
2014	14.55313	0.92268	15.47581	15.21621	4.25998	15.18434	13.15637	12.43422	7.77881
2013	14.23893	0.92196	15.16089	15.21621	4.26168	15.15751	13.62416	12.43424	8.02375
2012	14.22226	0.93808	15.16034	15.21621	4.26166	15.53068	13.50980	11.85206	8.60023
2011	14.23859	0.93187	15.17046	15.21621	4.34000	15.31001	13.63603	11.89459	9.01063
2010	12.96275	0.95541	13.91816	15.21621	4.10667	15.31410	13.86482	11.89459	9.28024
2009	12.82608	0.95499	13.78107	15.07076	4.39992	15.31391	14.13850	11.99225	9.18340
2008	12.95612	1.41869	14.37481	14.61610	4.33756	13.46518	13.78572	11.99350	8.09957
2007	13.01231	1.88981	14.90212	14.38608	4.39995	12.43336	13.95525	12.04938	9.32643
2006	13.33022	1.92020	15.25042	13.98997	4.39991	12.14137	13.98851	10.60285	8.69792

Source: Linn County Auditor

(1) Note: Includes levies for operating and debt service costs.

Schedule 10
Cedar Rapids Community School District
Principal Property Taxpayers
Current Year and Nine Years Ago

			Assessed Value 2013 for			Assessed Value 2004 for		
			FY 2015 Revenue			FY 2006 Revenue		
	Taxpayer	Type of Business	FY15 Rank	Amount	Percentage of Total Assessed Valuation	FY06 Rank	Amount	Percentage of Total Assessed Valuation
	Interstate Power /Alliant Energy	Natural Gas & Electric Utility	1	\$386,972,354	4.62%	1	\$222,867,058	3.4%
	Nextera Energy	Duane Arnold Nuclear Utility	2	143,091,013	1.71%	-	-	-
	ITC Midwest LLC	Electric Transmission Line Utility	3	95,099,435	1.13%	-	-	-
	St. Lukes Methodist Hospital	Hospital/ Medical Clinics	4	45,164,608	0.54%	-	-	-
	Life Investors/Aegon US Holding Corp	Investment Services/Insurance	5	41,543,287	0.50%	2	48,313,006	0.7%
	Central Iowa Power	Electric Utility	6	39,918,629	0.48%	-	-	-
	Mid-America Energy	Natural Gas & Electric Utility	7	36,421,644	0.43%	3	25,628,277	0.4%
	Wal-Mart Stores/Sam's Club	Department Store/ Grocery	8	28,356,261	0.34%	8	17,204,977	0.3%
	Hy-Vee Food Stores Inc.	Grocery	9	27,117,515	0.32%	-	-	-
	Shamrock Capital Investments LLC	Residential & Commercial Real Estate	10	22,667,847	0.27%	-	-	-
	Individual	Real Estate Holdings	-	-	-	4	24,189,778	0.4%
	Qwest	Telecommunications	-	-	-	5	23,034,499	0.3%
	Westdale Capital Investments LLC	Residential Real Estate	-	-	-	6	21,371,989	0.3%
	Individual	Real Estate Holdings	-	-	-	7	20,696,055	0.3%
	Iowa Land and Building	Real Estate	-	-	-	9	17,175,834	0.3%
	Mercy Hospital/ Mercy Care Mangmt Inc Hospital/Medical Clinics/Physicians		-	-	-	10	17,010,671	0.3%
	Total			\$866,352,593	10.3%		\$437,492,144	6.7%

Source: Linn County Auditor

Schedule 11
Cedar Rapids Community School District

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30th	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections (1)	Total Tax Collections	
		Amount	Percent of Levy		Amount	Percent of Levy
2015	\$77,161,219	\$77,305,839	100.2%	\$29,702	\$77,335,541	100.23%
2014	75,990,519	76,010,670	100.0%	115,473	76,126,143	100.18%
2013	72,888,464	72,731,279	98.8%	42,460	72,773,739	99.84%
2012	69,864,902	69,889,822	100.0%	67,042	69,956,864	100.13%
2011	67,108,487	67,103,665	98.8%	201,493	67,305,158	100.29%
2010	61,170,419	59,435,338	97.2%	64,001	59,499,339	97.27%
2009	58,614,140	58,250,495	99.4%	612,298	58,862,793	100.42%
2008	59,890,697	58,818,525	98.2%	(10,393)	58,808,132	98.19%
2007	61,321,825	60,642,117	98.9%	94,699	60,736,816	99.05%
2006	62,275,740	61,156,761	98.2%	50,584	61,207,345	98.28%

Source: District financial records and Linn County Finance and Budget

(1) Delinquent tax collections reflect the amounts of delinquent taxes received during the year.
Information is not available as to the years for which the delinquent tax collections apply.

Schedule 12
Cedar Rapids Community School District

Total Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities										Percentage of Personal Income (1)	Total Debt Per Capita (1)	Net Bonded Debt(2) Per Capita (1)	Ratio of Net Bonded Debt (2) to Taxable Value of Property
	SAVE Revenue Bonds	QSCB Bonds	School Refunding Bonds	General Obligation Bonds	Capital Loan Note	Anticipatory Warrants	Bond Premiums	Primary Government	Less Amount Restricted for Debt Service	Net Bonded Debt				
2015	\$95,603,000	\$11,842,461	\$18,180,000	\$ -	\$ -	\$ -	\$320,991	\$125,946,452	\$2,487,425	\$123,459,027	1.14%	\$480	\$470	2.49%
2014	83,425,000	11,842,461	20,905,000	-	-	-	593,916	116,766,377	2,797,703	113,968,674	1.06%	446	\$436	2.33%
2013	83,425,000	11,842,461	23,500,000	-	-	-	685,993	119,453,454	2,125,782	117,327,672	1.06%	455	\$447	2.45%
2012	83,425,000	11,842,461	25,995,000	-	-	-	783,176	122,045,637	3,427,335	118,618,302	1.15%	468	\$455	2.58%
2011	30,000,000	11,842,461	28,490,000	-	-	-	602,205	70,934,666	1,661,964	69,272,702	0.70%	275	\$268	1.56%
2010	-	-	30,880,000	-	-	-	448,300	31,328,300	185,579	31,142,721	0.31%	122	\$121	0.71%
2009	-	-	31,385,000	26,300,000	-	-	520,176	58,205,176	-	58,205,176	0.57%	228	\$228	1.37%
2008	-	-	31,385,000	35,350,000	-	-	-	66,735,000	-	66,735,000	0.68%	264	\$264	1.62%
2007	-	-	31,385,000	37,400,000	-	-	-	68,785,000	-	68,785,000	0.74%	276	\$276	1.68%
2006	-	-	31,385,000	39,325,000	325,000	-	-	71,035,000	-	71,035,000	0.79%	287	\$287	1.75%

Source: District Financial Reports, Woods & Poole Economics

Notes:

(1) Percentage Personal Income and Per Capita figures are based upon Cedar Rapids Metropolitan Statistical Area data from the corresponding calendar year. Stated in 2009 Dollars.

(2) Taxable valuations exclude TIF valuations

Schedule 13
Cedar Rapids Community School District

Pledged-Revenue Coverage

Last Ten Fiscal Years

Secure an Advanced Vision for Education (SAVE) Fund				
Fiscal Year	Revenue	Debt Service		Coverage
		Principal	Interest	
2015	\$15,996,385	\$	\$4,431,778	3.61
2014	14,493,351	-	4,367,398	3.32
2013	13,964,236	-	4,367,398	3.20
2012	16,299,785	-	3,880,727	4.20
2011	15,667,769	-	694,531	22.56
2010	-	-	-	-
2009	-	-	-	-
2008	-	-	-	-
2007	-	-	-	-
2006	-	-	-	-

Source: District Financial Records

Schedule 14
Cedar Rapids Community School District
Direct and Overlapping Governmental Activities Debt

As of June 30, 2015

	Gross General Obligation Debt Outstanding	Percentage Applicable to Governmental Unit ⁽¹⁾	Cedar Rapids Community School District Share of Debt
Direct:			
Cedar Rapids Community School District	\$18,180,000	100.00 %	\$18,180,000
Overlapping:			
City of Cedar Rapids	\$163,515,508	72.82 %	\$119,071,993
City of Hiawatha	\$22,430,000	100.00 %	\$22,430,000
City of Marion	\$56,500,000	1.91 %	\$1,079,150
City of Robins	\$6,975,000	71.47 %	\$4,985,033
Kirkwood Community College	\$69,810,000	23.01 %	\$16,063,281
Linn County	\$19,160,000	53.66 %	\$10,281,256
Total Overlapping	338,390,508		173,910,713
Total Direct and Overlapping Debt	\$356,570,508	53.87 %	\$192,090,713

Source: Linn County Auditor

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Schedule 15
Cedar Rapids Community School District

Legal Debt Margin Information

Last Ten Fiscal Years

	Fiscal Year									
	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Assessed valuation	\$8,384,755,514	\$8,250,728,414	\$8,213,895,153	\$8,100,731,224	\$7,821,508,437	\$7,752,753,942	\$7,651,573,445	\$7,223,113,053	\$7,003,888,522	\$6,625,350,277
Legal debt limit (5% of Assessed Valuation)	419,237,776	412,536,421	410,694,758	405,036,561	391,075,422	387,637,697	382,578,672	361,155,653	350,194,426	331,267,514
District debt applicable	\$125,946,452	116,766,377	119,453,454	122,045,637	70,934,666	31,328,300	58,205,176	66,735,000	68,785,000	71,035,000
Legal debt margin	\$ 293,291,324	\$ 295,770,044	\$ 291,927,297	\$ 282,990,924	\$ 320,742,961	\$ 356,309,397	\$ 324,373,496	\$ 294,420,653	\$ 281,409,426	\$ 260,232,514
District debt applicable as a percentage of Legal debt limit	30.0%	28.3%	28.9%	30.1%	18.0%	8.1%	15.2%	18.5%	19.6%	21.4%

Source: District Financial Records and Linn County Auditor

Schedule 16
Cedar Rapids Community School District

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Income	Unemployment Rate %
2014	263,960	\$11,289,580,000	\$42,770	3.7%
2013	262,420	11,040,970,000	42,074	4.9
2012	261,630	10,977,810,000	41,959	5.1
2011	260,860	10,702,540,000	41,028	6.0
2010	258,360	10,307,420,000	39,896	6.1
2009	256,900	10,210,800,000	39,746	6.1
2008	255,500	10,253,090,000	40,130	3.9
2007	252,710	9,895,370,000	39,157	3.7
2006	249,520	9,445,910,000	37,856	3.6
2005	247,260	9,138,650,000	36,960	4.3

Sources:

Woods and Poole Economics 2015 Data Pamphlet - for population and personal income.

Bureau of Labor Statistics - for unemployment data

Note: Cedar Rapids Metropolitan Statistical Area Data. Personal income dollars stated in 2009 dollars.

Schedule 17
Cedar Rapids Community School District

Principal Employers
Current Year and Nine Years Ago

	2015			2006		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment (1)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment (1)</u>
Rockwell Collins Inc.	8,700	1	4.82%	7,000	1	4.18%
Transamerica	3,800	2	2.11%	2,632	4	1.57%
St. Luke's Hospital	2,979	3	1.65%	2,400	5	1.43%
Cedar Rapids Community Schools	2,879	4	1.60%	2,860	3	1.71%
Nordstrom Direct	2,150	5	1.19%	-	-	-
Mercy Medical Center	2,140	6	1.19%	2,862	2	1.71%
City of Cedar Rapids	1,309	7	0.73%	1,700	8	1.01%
Four Oaks	1,100	8	0.61%	-	-	-
Linn Mar Schools	987	9	0.55%	-	-	-
Quaker Foods and Snacks	920	10	0.51%	-	-	-
Hy-Vee Food Stores	-	-	-	1,691	9	1.01%
Whirlpool Corporation	-	-	-	2,300	6	1.37%
MCI Communications (Worldcom)	-	-	-	1,880	7	1.12%
Alliant	-	-	-	1,650	10	0.98%
Totals	26,964		14.96%	23,445		13.99%

Sources:
Cedar Rapids Economic Alliance - for individual employer employment.
Woods and Poole Economics 2015 Data Pamphlet - for total employment.

(1) Total employment encompasses the Cedar Rapids Metropolitan Statistical Area

Schedule 18
Cedar Rapids Community School District
Full Time-Equivalent (1) District Employee by Type

Last Ten Fiscal Years

	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06	Percentage Change FY2006-2015
Administration											
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0%
Deputy/Assistant Superintendent	2.0	2.0	2.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	0.0%
Principals and Assistants	46.0	47.0	49.0	48.0	48.0	48.0	48.0	48.0	49.0	49.0	-6.1%
District Administrators	13.0	13.0	10.0	12.0	13.0	13.0	14.0	13.0	13.0	13.0	0.0%
Supervisors	9.0	8.0	7.0	7.0	7.0	8.0	9.0	8.0	8.0	7.0	28.6%
Total Administration	71.0	71.0	69.0	69.0	70.0	71.0	73.0	72.0	73.0	72.0	-1.4%
Teachers											
PreK-12 (3), Music, Physical Education and Art	923.6	911.4	930.4	938.1	952.1	969.5	940.8	942.0	933.0	930.5	-0.7%
Special Education	210.2	211.7	222.3	213.6	218.4	219.4	252.9	258.1	265.5	255.8	-17.8%
Federal Programs	27.8	28.8	31.3	23.1	39.9	41.3	27.2	26.0	23.0	22.3	24.7%
Media Specialist	18.5	19.5	21.0	21.5	24.0	25.0	23.3	24.7	23.7	24.7	-25.1%
Counselors	46.0	49.0	46.0	49.8	47.0	48.8	48.6	46.3	46.0	45.5	1.1%
Total Teachers	1,226.1	1,220.4	1,251.0	1,246.1	1,281.4	1,304.0	1,292.8	1,297.1	1,291.1	1,278.8	-4.1%
Support Personnel											
Clerical	137.4	156.7	169.1	182.2	184.7	182.8	178.1	183.5	180.7	182.3	-24.6%
Teacher aides, Special Education	270.9	248.1	309.0	272.2	295.8	257.0	273.6	268.1	281.2	274.7	-1.4%
Teacher aides, regular	83.7	120.5	135.9	132.0	135.2	124.1	120.2	95.1	90.4	81.6	2.6%
Custodial and maintenance	141.9	148.4	152.5	161.1	163.3	171.4	170.3	168.4	169.9	171.9	-17.5%
Bus drivers/Attendants	105.5	104.9	114.0	115.0	113.6	111.0	105.7	105.6	104.1	98.9	6.6%
Food service workers	131.8	128.0	138.8	138.4	141.5	134.3	133.9	136.8	133.6	130.6	0.9%
Nurses/Volunteer Coordinator	13.3	13.0	14.0	14.0	14.5	14.5	15.5	15.5	15.1	14.7	-9.5%
Crafts and trades	10.0	11.0	11.0	12.0	18.6	22.8	18.1	18.9	19.6	18.1	-44.8%
Data processing	0.0	0.0	0.0	0.0	0.0	3.5	3.8	3.8	3.8	3.8	-100.0%
Day care	97.4	104.8	105.7	117.7	108.1	105.0	99.8	101.0	97.1	92.3	5.5%
Other(2)	117.9	150.2	88.6	69.8	65.8	54.3	55.5	57.3	58.1	63.6	85.3%
Total Support Personnel	1,109.7	1,185.6	1,238.6	1,214.4	1,241.0	1,180.7	1,174.5	1,153.9	1,153.6	1,132.5	-2.0%
Total Staff	2,406.8	2,477.0	2,558.6	2,529.5	2,592.4	2,555.7	2,540.3	2,523.0	2,517.7	2,483.3	-3.1%

Source: District Human Resources Department

(1) FTE (full time equivalent) as of October within each fiscal year. While the number of annual hours a full time "instructional school year" employee works, (veteran teachers work 1,520 annual hours) is less than the annual of hours a full time "12 month" employee works, (2,080 hours for a 260 day contract) they are both be considered 1.0 FTE. Part time employees in any employee group carry less than 1.0 FTE based upon annual hours worked.

(2) Other is defined as other remaining Supervisor/Technician Group employees not accounted for in other "Support Personnel" categories.

(3) The District began participating in the Statewide Voluntary Preschool Program at the beginning of the 2008-2009 school year. As a result, preschool FTE's are included for the first time in FY2009 that were not previously reported.

Schedule 19
Cedar Rapids Community School District

Operating Statistics

Last Ten Fiscal Years

Fiscal Year	General Fund - Expenditures				All District Funds - Expenses				Teaching Staff (FTE*)	Resident Pupil-Teacher Ratio	Students Receiving Free or Reduced Price Meals	
	Certified Enrollment*	Net Expenditures *	Cost per Pupil(1)	Percentage Change	Statement of Activities Expenses	Cost per Pupil	Percentage Change	Number			Percentage	
2015	16,843	\$178,584,723	\$10,603	2.9%	\$224,215,629	\$13,312	0.0%	1,226.1	13.7	7,918	47.6%	
2014	16,865	173,859,183	10,309	-1.7%	223,862,543	13,274	2.6%	1,220.4	13.8	7,916	47.0%	
2013	16,651	174,582,525	10,485	4.2%	221,556,690	13,306	2.8%	1,251.0	13.3	8,019	48.4%	
2012	16,778	168,807,093	10,061	-1.7%	217,081,649	12,938	-2.7%	1,246.1	13.5	7,492	44.7%	
2011	16,810	171,958,506	10,230	2.5%	223,526,918	13,297	5.6%	1,281.4	13.1	7,371	43.5%	
2010	16,929	168,930,455	9,979	8.4%	213,222,413	12,595	2.5%	1,304.0	13.0	7,030	41.1%	
2009	17,502	161,150,592	9,208	9.7%	214,987,326	12,284	15.0%	1,292.8	13.5	6,691	38.2%	
2008	17,746	148,901,190	8,391	4.2%	189,489,490	10,678	4.7%	1,297.1	13.7	6,624	37.3%	
2007	17,677	142,338,991	8,052	6.0%	180,240,205	10,196	6.0%	1,291.1	13.7	6,596	37.3%	
2006	17,754	134,874,912	7,597	8.6%	170,797,530	9,620	8.3%	1,278.8	13.9	6,455	36.4%	

Source: District Human Resources Department, District Food and Nutrition Department, District Financial Records

Notes:

(1) FTE: A full time veteran teacher who works 1,520 annual hours is considered a 1.0 "Full Time Equivalent" position. The State of Iowa provides a standard methodology in calculating General Fund Cost per Pupil which pertains to resident students only. Accordingly, Certified Enrollment counts of resident students only, in the fall of each fiscal year are used for calculations. (For example fall 2014 counts are used for FY2015 calculations.) "Net Expenditures" in the General Fund include credits for tuition receipts for services provided to non-resident pupils.

Schedule 20
CEDAR RAPIDS COMMUNITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Building	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
High Schools (9-12)										
Jefferson (1959)										
Square feet	310,110	310,110	310,110	310,110	310,110	310,110	310,110	310,110	310,110	310,110
Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	1,516	1,496	1,467	1,525	1,538	1,625	1,655	1,667	1,632	1,579
Kennedy (1968)										
Square feet	288,600	288,600	288,600	288,600	288,600	288,600	288,600	288,600	288,600	288,600
Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	1,749	1,780	1,721	1,766	1,792	1,790	1,807	1,813	1,829	1,885
Metro (1971)										
Square feet	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	374	358	337	415	462	585	566	568	556	569
Washington (1959)										
Square feet	312,694	312,694	312,694	312,694	312,694	312,694	312,694	312,694	312,694	312,694
Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	1,364	1,381	1,381	1,409	1,414	1,435	1,476	1,531	1,651	1,620
Middle Schools (6-8)										
Franklin (1922)										
Square feet	146,148	146,148	146,148	146,148	146,148	146,148	146,148	146,148	146,148	146,148
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	663	637	644	636	622	640	640	653	630	651
Harding (1964)										
Square feet	139,634	139,634	139,634	139,634	139,634	139,634	139,634	139,634	139,634	139,634
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	807	837	883	870	895	835	876	880	952	928

Schedule 20
CEDAR RAPIDS COMMUNITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Building		Fiscal Year									
		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
McKinley (1922)	Square feet	138,476	138,476	138,476	138,476	138,476	138,476	138,476	138,476	138,476	138,476
	Capacity	700	700	700	700	700	700	700	700	700	700
	Enrollment	535	543	556	562	561	541	516	512	555	618
Roosevelt (1924)	Square feet	139,350	139,350	139,350	139,350	139,350	139,350	139,350	139,350	139,350	139,350
	Capacity	700	700	700	700	700	700	700	700	700	700
	Enrollment	566	601	564	549	555	504	496	570	628	645
Taft (1965)	Square feet	127,507	127,507	127,507	127,507	127,507	127,507	127,507	127,507	127,507	127,507
	Capacity	700	700	700	700	700	700	700	700	700	700
	Enrollment	580	567	616	658	653	646	667	699	730	738
Wilson (1928)	Square feet	108,807	108,807	108,807	108,807	108,807	108,807	108,807	108,807	108,807	108,807
	Capacity	650	650	650	650	650	650	650	650	650	650
	Total Enrollment	368	381	379	508	504	774	785	804	833	846
Elementary Schools Arthur (1914)	K-5										
	Square feet	46,214	46,214	46,214	46,214	46,214	46,214	46,214	46,214	46,214	46,214
	Capacity	400	400	400	400	400	400	400	400	400	400
Cleveland (1950)	K-5										
	Square feet	46,819	46,819	46,819	46,819	46,819	46,819	46,819	46,819	46,819	46,819
	Capacity	500	500	500	500	500	500	500	500	500	500
	Enrollment	347	347	345	309	301	320	366	328	359	370

Schedule 20
CEDAR RAPIDS COMMUNITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Building		Fiscal Year									
		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Coolidge (1967)	K-5										
	Square feet	48,557	48,557	48,557	48,557	48,557	48,557	48,557	48,557	48,557	48,557
	Capacity	500	500	500	500	500	500	500	500	500	500
Erskine (1955)	K-5										
	Square feet	40,675	40,675	40,675	40,675	40,675	40,675	40,675	40,675	40,675	40,675
	Capacity	400	400	400	400	400	400	400	400	400	400
Garfield (1930)	K-5										
	Square feet	40,224	40,224	40,224	40,224	40,224	40,224	40,224	40,224	40,224	40,224
	Capacity	400	400	400	400	400	400	400	400	400	400
Gibson (2002)	K-5										
	Square feet	74,805	74,805	74,805	74,805	74,805	74,805	74,805	74,805	74,805	74,805
	Capacity	600	600	600	600	600	600	600	600	600	600
Grant (1961)	K-1										
	Square feet	46,565	43,919	43,919	43,919	43,919	43,919	43,919	43,919	43,919	43,919
	Capacity	450	450	450	450	450	450	450	450	450	450
Grant Wood (1948)	K-5										
	Square feet	52,172	52,172	52,172	52,172	52,172	52,172	52,172	52,172	52,172	52,172
	Capacity	500	500	500	500	500	500	500	500	500	500
	Enrollment	324	310	340	292	301	304	331	352	335	321

Schedule 20
CEDAR RAPIDS COMMUNITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Building		Fiscal Year									
		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Harrison (1930)	K-5										
	Square feet	54,677	54,677	54,677	54,677	54,677	54,677	54,677	54,677	54,677	54,677
	Capacity	550	550	550	550	550	550	550	550	550	550
Hiawatha (1956)	K-5										
	Square feet	50,787	50,787	50,787	50,787	50,787	50,787	50,787	50,787	50,787	50,787
	Capacity	550	550	550	550	550	550	550	550	550	550
Hoover (1954)	K-5										
	Square feet	56,260	56,260	56,260	56,260	56,260	56,260	56,260	56,260	56,260	56,260
	Capacity	500	500	500	500	500	500	500	500	500	500
Jackson (1970)	K-5										
	Square feet	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580
	Capacity	540	540	540	540	540	540	540	540	540	540
Johnson (1955)	K-5										
	Square feet	49,191	49,191	49,191	49,191	49,191	49,191	49,191	49,191	49,191	49,191
	Capacity	500	500	500	500	500	500	500	500	500	500
Kenwood (1950)	K-5										
	Square feet	52,660	52,660	52,660	52,660	52,660	52,660	52,660	52,660	52,660	52,660
	Capacity	500	500	500	500	500	500	500	500	500	500
Madison (1961)	K-5										
	Square feet	35,919	35,919	35,919	35,919	35,919	35,919	35,919	35,919	35,919	35,919
	Capacity	400	400	400	400	400	400	400	400	400	400
	Enrollment	280	259	262	286	274	286	273	284	277	280

Schedule 20
CEDAR RAPIDS COMMUNITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Building		Fiscal Year									
		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Monroe (1961) (2)	K-only										
	Square feet				27,175	27,175	27,175	27,175	27,175	27,175	27,175
	Capacity				350	350	350	350	350	350	350
Nixon (1970)	Enrollment				220	189	196	234	253	280	262
	K-5										
	Square feet	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580
Pierce (1965)	Capacity	540	540	540	540	540	540	540	540	540	540
	Enrollment	330	346	350	278	285	301	301	310	318	325
	K-5										
Polk (1961) (2)	Square feet	47,308	47,308	47,308	47,308	47,308	47,308	47,308	47,308	47,308	47,308
	Capacity	475	475	475	475	475	475	475	475	475	475
	Enrollment	390	412	405	439	480	471	465	446	439	466
Taylor (1973) (1)	K-5										
	Square feet	29,934	29,934	29,934	29,934	29,934	29,934	29,934	29,934	29,934	29,934
	Capacity	350	350	350	350	350	350	350	350	350	350
Truman (1961)	Enrollment	70	76	50	214	192	195	220	212	224	209
	K-5										
	Square feet	48,170	48,170	48,170	48,170	48,170	48,170	48,170	48,170	48,170	48,170
Truman (1961)	Capacity	475	475	475	475	475	475	475	475	475	475
	Enrollment	237	260	252	237	228	232	0	268	232	239
	K-5										
Truman (1961)	Square feet	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129
	Capacity	400	400	400	400	400	400	400	400	400	400
	Enrollment	275	308	324	330	340	335	352	351	339	319

Schedule 20
CEDAR RAPIDS COMMUNITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Building		Fiscal Year									
		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Van Buren (1970)	K-5										
	Square feet	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580
	Capacity	475	475	475	475	475	475	475	475	475	475
	Enrollment	380	365	345	410	404	350	385	392	360	369
Wright (1953)	K-5										
	Square feet	41,502	41,502	41,502	41,502	41,502	41,502	41,502	41,502	41,502	41,502
	Capacity	375	375	375	375	375	375	375	375	375	375
	Enrollment	336	339	315	260	258	232	248	221	232	251
Totals	Square feet	2,778,033	2,775,387	2,775,387	2,802,562	2,802,562	2,802,562	2,802,562	2,802,562	2,802,562	2,802,562
	Capacity	20,580	20,580	20,580	20,930	20,930	20,930	20,930	20,930	20,930	20,930
	Building Enrollment	15,749	15,961	15,831	15,975	16,066	16,597	16,772	17,414	17,620	17,734
	Percent Capacity	76.53%	77.56%	76.92%	76.33%	76.76%	79.30%	80.13%	83.20%	84.19%	84.73%

Source: RSP Consultants May 9, 2011 Enrollment Report and District Records

- (1) Taylor Elementary School was closed for the 2008-2009 school year due to damage caused by the 2008 flood. It reopened for the 2009-2010 school year.
- (2) At the conclusion of the 2011-12 school year, Monroe and Polk Elementary Schools were closed due to declining enrollment. Polk remained open as Polk Alternative Education Center to serve students of special needs

**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**

Independent Auditor's Report

To the Board of Education
Cedar Rapids Community School District
Cedar Rapids, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Cedar Rapids Community School District (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated December 4, 2015. The District's June 30, 2014 financial statements have been restated due to the implementation of GASB Statement Nos. 68 and 71 to recognize a net pension liability and deferred outflows of resources of the governmental activities, business-type activities and enterprise funds.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness the District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters that are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory or other legal matters about the District's operations for the year ended June 30, 2015, are based exclusively on knowledge obtained from procedures during our audit of the basic financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretation of those statutes.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 entity'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.

RSM US LLP

Cedar Rapids, Iowa
December 4, 2015

**Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance**

RSM US LLP

Independent Auditor's Report

To the Board of Education
Cedar Rapids Community School District
Cedar Rapids, Iowa

Report on Compliance for Each Major Federal Program

We have audited Cedar Rapids Community School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2015. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

Cedar Rapids, Iowa
December 4, 2015

Cedar Rapids Community School District

Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Passed through Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	4552	\$ 859,556
National School Lunch Program	10.555	4553	3,397,675
National School Lunch Program - USDA Commodities (noncash)	10.555	4951	512,597
Subtotal			4,769,828
Fresh Fruit & Vegetable Pilot Program	10.582	4557	49,624
Child and Adult Care Food Program	10.558	4554	120,760
Team Nutrition Grant	10.574	4558	738
School Lunch Equipment Grant	10.579	4011	7,684
Total U.S. Department of Agriculture			4,948,634
U.S. Department of Education:			
Passed through Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4501	2,970,818
Title I Grants to Local Educational Agencies - Delinquent	84.010	4501/438	32,835
Title I Grants to Local Educational Agencies - Carryover	84.010	4508	349,594
Title I Grants to Local Educational Agencies - SINA	84.010	4501/432	165,045
Subtotal			3,518,292
Special Education Grants to States - IDEA Part B - High Cost Funds	84.027	4525	18,539
Title IIA Improving Teacher Quality State Grants - Class Size Reduction Program	84.367	4643	598,600
Title III - Immigrant Children & Youth	84.365	4644	20,388
Advanced Placement Program	84.330	4654	11,474
Gear Up Iowa	84.334	4674	48,978
Iowa Demonstration Construction Grant	84.215	4662	24,358
Perkins Vocational Education Program - Basic Grant	84.048	4531	178,307
Title VI A Grants for State Assessments and Related Activities -			
NCLB Assessment Grant	84.369	4648	80,075
Education for Homeless Children and Youth	84.196	4565	35,000
			4,534,011
Passed through Grant Wood Area Education Agency,			
Special Education Grants to States IDEA Part B	84.027	4521	900,186
Passed through School Administrators of Iowa,			
iSPIN - Iowa Statewide Parent Information	84.310	4795	352
Total U.S. Department of Education			5,434,549

Cedar Rapids Community School District

Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program Expenditures
U.S. Department of Human Services:			
Passed through Iowa Department of Education:			
School Wellness - Water Availability	93.945	4621	\$ 7,125
School Health Programs	93.938	4577	<u>2,100</u>
Total U.S. Department of Human Services			<u>9,225</u>
U.S. Department of Homeland Security:			
Passed through Iowa Department of Homeland Security,			
FEMA Disaster Assistance	97.036	4566	<u>162,088</u>
Total Indirect			<u>10,554,496</u>
Total expenditures of federal awards			<u><u>\$ 10,554,496</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

Cedar Rapids Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Cedar Rapids Community School District for the year ended June 30, 2015. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Total by CFDA Number

Total expenditures for the Special Education Grants to States – IDEA Part B CFDA No. 84.027 is \$918,725.

Cedar Rapids Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015**

Finding		Status	Corrective Action Plan or Other Explanation
Other Findings Related to Statutory Reporting			
14-IV-G	The District's supporting documentation did not agree to what was certified to the Iowa Department of Education for certain items tested in relation to tuition out and nonresident open enrolled in students.	Not Corrected	See corrective action plan at 15-IV-G.

Cedar Rapids Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2015

I. Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiencies identified?
- Noncompliance material to financial statements noted?

☐ Yes ☒ No
☐ Yes ☒ None Reported
☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiencies identified?

☐ Yes ☒ No
☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

☐ Yes ☒ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$316,634

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

(Continued)

Cedar Rapids Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

A. Internal Control

No matters reported.

B. Instances of Noncompliance

No matters reported.

III. Findings and Questioned Costs for Federal Awards

A. Internal Control

No matters reported.

B. Instances of Noncompliance

No matters reported.

IV. Other Findings Related to Required Statutory Reporting

15-IV-A Certified Budget

Expenditures/expenses during the year ended June 30, 2015 did not exceed budget amounts.

15-IV-B Questionable Expenditures

No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 15, 1979, were noted.

15-IV-C Travel Expenses

No expenditures of District money for travel expenses of spouses of District officials or employees were noted.

15-IV-D Business Transactions

No material business transactions between the District and District officials or employees were noted.

15-IV-E Bond Coverage

Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

Cedar Rapids Community School District

Schedule of Findings and Questioned Costs (Continued) **Year Ended June 30, 2015**

15-IV-F Board Minutes

No transactions requiring Board approval which had not been approved in the Board minutes were noted.

15-IV-G Certified Enrollment

Finding: The District's supporting documentation did not agree to the Project Easier and Certified Enrollment (PEACE) submitted to the Iowa Department of Education (IDE). This is based on documentation maintained by the District to support the basic enrollment certified to the IDE for October 2014.

Recommendation: The District should ensure that their system reconciles to the PEACE system number of students reported as certified enrollment. The Iowa Department of Management and Iowa Department of Education should be notified of the variances.

Response and corrective action plan: The District will contact the Iowa Department of Education and Iowa Department of Management notifying them of the above changes. The District will continue to monitor supporting information and reconciliation of data submitted to the Iowa Department of Education.

15-IV- H Supplementary Weighting

No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

15-IV- I Deposits and Investments

No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Iowa Code and the District's investment policy were noted.

15-IV-J Certified Annual Report

The Certified Annual Report (CAR) was filed with the Department of Education timely.

15-IV-K Categorical Funding

No instances were noted of categorical funding being used to supplant rather than supplement other funds.

Cedar Rapids Community School District

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2015

15-IV-L Statewide Sales, Services and Use Tax

No instances of noncompliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. For the year ended June 30, 2015, the District's financial activity and other required information for the statewide sales, services and use tax revenue are as follows:

Beginning balance	\$ 9,549,954
Statewide sales, services and use tax	15,996,385
Interest earned	24,957
Proceeds from sale of assets	158,032
Miscellaneous revenue	1,079,368
Revenue bonds issued	9,000,000
Expenditures/transfers out:	
Capital:	
Buildings	(16,263,933)
Equipment	(1,962,451)
Other improvements	(1,694,164)
Debt service for school infrastructure, revenue debt	(8,047,968)
Ending balance	<u>\$ 7,840,180</u>

	Per \$1,000 of Taxable Valuation	Property Tax Dollars
Debt service levy	0.95983	\$ 8,047,968
Physical plant and equipment levy	0.94796	7,948,417

15-IV-M Deficit Balances

Finding: The Daycare Services Fund has a deficit balance of \$1,761,343 at June 30, 2015 due to the implementation of GASB No. 68.

Recommendation: The District should investigate alternatives to eliminate this deficit balance to return this fund to a sound financial condition.

Response: The District recognizes the impact of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* of creating a deficit fund balance. Elimination of this deficit balance would place an undue burden upon those who pay for and rely on day care services.

15-IV-N Revenue Bonds

No instances of noncompliance with the revenue bond provisions were noted.

15-IV-O Student Activity Funds

No instances of noncompliance with the use of student activity funds provisions of Chapter 298A.8 of the Code of Iowa Administrative Rule 281-12.6(1).

15-IV-P Early Childhood Iowa Area Board

The District is not the fiscal agent for the Early Childhood Iowa Area Board.

Cedar Rapids Community School District

Corrective Action Plan Year Ended June 30, 2015

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Other Findings Related to Statutory Reporting				
15-IV-G	The District's supporting documentation did not agree to what was certified to the Iowa Department of Education for certain items tested in relation to tuition out and nonresident open enrolled in students.	See response and corrective action plan at 15-IV-G.	June 2016	Executive Director of Business Services
15-IV-M	The Daycare Fund has a deficit balance at June 30, 2015.	See response and corrective action plan at 15-IV-M.	June 2016	Executive Director of Business Services

