

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, 2016



Cedar Rapids  
Community School District  
*Excellence for All*



# **Cedar Rapids Community School District**

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

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December 12, 2016

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, 2016. 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, 2016.

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, 2016. 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 2016 certified enrollment of 16,939 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 two elementary "magnet schools" called Johnson STEAM (Science, Technology, Engineering, Arts and Music) Academy that opened at the beginning of the 2014-2015 school year and the Kenwood Leadership Academy that opened at the beginning of the 2016-2017 school year. 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 TransAmerica also boasts a large presence in Cedar Rapids. 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 Bruemore, 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 CSPA 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 130,405 in 2015. According to information from Woods and Poole for 2016, 267,000 residents live in the greater Cedar Rapids metropolitan area. The Cedar Rapids metro area population has seen an increase of 3.3% since 2010.

According to Woods & Poole Economics, retail sales in the Cedar Rapids metropolitan area (as measured in 2009 dollars) increased from \$5.28 billion in 2015 to \$5.36 billion in 2016. The three largest sectors of retail sales were Non-Store Retailers at \$1.6 billion, Motor Vehicles and Parts at \$905.8 million and General Merchandise Stores at \$636.9 million.

According to Woods & Poole Economics, mean household income, (as measured in 2009 dollars) in the Cedar Rapids metropolitan area for 2016 was \$102,806 up slightly from \$101,666 in 2015. Income per capita, (also measured in 2009 dollars) shows an increase from \$43,553 in 2015 to \$44,224 in 2016. Total employment in the Cedar Rapids metropolitan area increased from 179,720 in 2015 to 182,280 in 2016. Not surprisingly, information from the Bureau of Labor Statistics, show a corresponding low unemployment rates in the Cedar Rapids metropolitan area with 3.7% in June 2015 compared to 4.0% in June 2016.

According to the most recent information available from the Cedar Rapids Area Economic Alliance, single-family housing starts in the City of Cedar Rapids experienced a decline when compared to the prior year decreasing from \$34,621,397 in 2014 to \$23,607,356 in 2015. Permits for 325 new single-family dwellings were issued in Cedar Rapids in 2014 compared to 268 permits issued in 2015. New multi-family housing starts in the City of Cedar Rapids climbed from 27 in 2014 to 31 in 2015. Although the value of these permits declined from \$10,532,216 to \$5,342,262 respectively.

Building permits issued by the City of Cedar Rapids for all "repairs, remodeling & additions" declined slightly from 4,147 permits valued at \$16,465,229 in 2014 to 3,937 permits valued at \$16,896,478 in 2015.

## **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!



## CONGRATULATIONS TO THE CLASS OF 2016!

*May 24, 2016 12:00 PM*

The District is proud to recognize the academic achievements of some 1042 students this week with commencement ceremonies for each of the four high schools.

Jefferson High School celebrates 304 graduates; Kennedy High School honors 375 graduates; Washington High School recognizes 290 graduates; and Metro High School congratulates 73 graduates (from both semesters). The District is also graduating students from the Home School Assistance Program and the Special Services Transition Center. Congratulations to the Class of 2016!



## JEFFERSON DECATHLON TEAM THIRD IN NATION!

*May 3, 2016 10:46 AM*

The Jefferson High School Academic Decathlon team placed third at the 2016 national competition, held in Anchorage, Alaska. Team members include: Connor Hammons, Sarah Steinke, Clarissa Bruns, Chase Hannen, Luke Hummel, Abbigail Frerick, Christian Anton, Sienna Belcher, and Stephanie Ray.

The team won 20 individual medals. Christian Anton placed 3rd individually in his division. The team also placed third in Oral Super Quiz. Connor, Sarah, Chase, Luke, Christian, and Stephanie all earned gold medals in individual competition. The coach is Kevin Darrow.



## STEM COUNCIL FUNDS THREE DISTRICT PROGRAMS

*April 30, 2016 08:00 AM*

The Iowa Governor's STEM Advisory Council has awarded educators with project funds for the coming school year through the STEM Scale-Up Program. Funds will support programs including robotics, coding, and agricultural field experiences. Programs from the Johnson STEAM Academy, Kenwood Leadership Academy, and Metro High School were among those chosen as recipients. Johnson will receive \$11,600 to support Spatial Temporal (ST) Math. Kenwood will receive five Making STEM Connections kits at a value of \$28,000. Metro received \$8,000 for use as the first District school to participate in the FIRST Robotics Competition.



## DISTRICT VOLUNTEERS RECOGNIZED

*April 27, 2016 03:00 PM*

The District recognized school volunteers with a special program on April 25. The event featured the introduction of the 2016 Volunteer Hall of Fame - including a representative from each school's volunteer workforce – as well as entertainment from the Hoover Elementary School “Hoover Harmony” Choir.



During the 2014-15 school year 6,765 volunteers contributed a reported 143,620 hours to support students and teachers. While parents make up the majority of the District's volunteers, meaningful volunteer contributions are also being made by retirees, high school and college students, business and industry professionals, and other community members.

## DE VISIT FOCUSES ON TEACHER LEADER SYSTEM

*April 21, 2016 04:07 PM*

The District welcomed Department of Education Director Ryan Wise and representatives from the Council of Chief State School Officers today for an overview of the District's Teacher Leadership System and innovative programming. During the morning visit, the guests observed a Leadership Team Meeting at Taft Middle School and a co-planning session at the Johnson STEAM Academy. They also had the opportunity to visit with student teams at Iowa BIG.



Iowa's distributed, collaborative model for teacher leadership has become a model for other states. "In Iowa, we're blazing a new and bold path in education, and the Cedar Rapids Community School District's focus on developing great teachers and preparing all students for success beyond high school is aligned with our statewide initiatives," said Ryan Wise, Director of the Iowa Department of Education.

## WASHINGTON AND KENNEDY NAMED TO MOST CHALLENGING HIGH SCHOOLS LIST

*April 19, 2016 10:37 AM*

Cedar Rapids Washington is the top-ranked Iowa high school and Cedar Rapids Kennedy is the third-ranked Iowa school on The Washington Post's 2016 list of America's Most Challenging High Schools. Both District high schools have qualified for the list since 2000.

"We are very proud of the amazing work of Washington students which keeps their school #1 in Iowa on this important list," said Ralph Plagman, Washington Principal.

"I am thrilled to see Kennedy once again representing Iowa on this list," added Jason Kline, Kennedy Principal. "With Washington and Kennedy both listed as members of the top 4% of all high schools nationally, it is clear that we are doing things right in Cedar Rapids."



## DISTRICT BUDGET INFORMATION

*April 15, 2016 03:11 PM*

During the April 12 Board of Education meeting, Superintendent Dr. Brad Buck spoke about the District's efforts to balance the budget in light of limited increases in state school funding.

As an overview, a six-year decline in state school funding has forced the District to make nearly \$20 million in budget reductions over that time period. (In short, state school funding increases have not kept up with school district expenditures.) As a result, the District has approximately 150 fewer employees than we did in 2010; these cuts have been almost evenly divided between support staff and teaching and administration positions. In making necessary reductions, the District always tries to minimize the direct impact on class size and student programming, though we recognize that all personnel cuts impact students.

Faced with another year of inadequate state funding, we must cut \$2.3 million from the FY17 general fund budget. However, as you also heard in the video, the costs for the Smarter Balance assessment and changes to alternative kindergarten programming drives the actual budget reduction need to \$2.8 million. To address this, we are shifting some general fund expenditures to other authorized funding sources, including (as shown in the video) moving \$665,000 of annual non-instructional software costs from the general fund. We are also making staffing adjustments that will result in cost decreases across all segments of the workforce. This includes support staff, administrators, and teaching positions. Some of these adjustments will happen through attrition as current employees either retire or choose to leave the District.

## ACT COUNCIL HONORS WASHINGTON HIGH SCHOOL

*March 22, 2016 09:04 AM*

Education and workforce leaders teamed up with ACT to recognize Washington High School as a leading exemplar of college and career readiness. The acknowledgement came during the Iowa State ACT State Organization Conference.

The event is part of the fourth annual ACT College and Career Readiness Campaign, the largest yet with more than 40 participating states including Iowa. The Campaign will culminate with the ACT National Gala for College and Career Readiness in Washington, D.C., in June. Iowa State Council chair Jay Wright recognized the outstanding achievements of Washington High School, Iowa's first winner of the College and Career Transition Award.

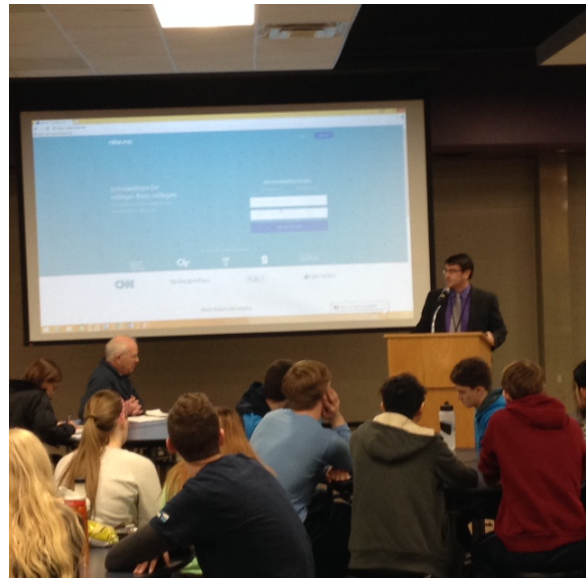
"Washington High School received the College and Career Transition Award for its continued commitment to serving the diverse needs of its student population and focusing on the end goal of college and career readiness for all," Wright noted "It was also recognized this year by NEWSWEEK as a top high school for low-income students and by the Iowa Department of Education as a recipient of the Breaking Barriers Award."

## DISTRICT TO PILOT NEW STATEWIDE SCHOLARSHIP PROGRAM

*March 2, 2016 12:36 PM*

The Cedar Rapids Community School District will be a pilot district for the University of Iowa's "Iowa for All 99" program and today hosted a special launch event at Jefferson High School to help announce the UI's partnership with the Raise.me scholarship platform. The program is intended to encourage and improve college readiness among Iowa high school students.

Using Raise.me, high school students from select school districts in each of Iowa's 99 counties will be eligible to earn up to a total of \$1,200 in "micro-scholarships" to attend the UI by meeting certain criteria, such as achieving an A or a B grade in select math classes or being involved in arts, athletics or other extra-curricular programs. The goal of the program is to encourage students to take rigorous courses and get involved in school activities, all while saving for future college expenses.



## KENNEDY RECEIVES GOLDEN PSI AWARD

*February 25, 2016 09:00 AM*

Kennedy High School has been chosen as the first high school in the U.S. to receive the Golden Psi Award from the American Psychological Association (APA). This annual award showcases schools that apply psychological science to promote student academic and social-emotional growth and success.



Specifically, the Golden Psi Award recognizes one elementary, middle, or high school in the country that uses evidence-based practices to affect both student academic engagement and development, as well as student social-emotional engagement and development. To be chosen, schools must demonstrate a commitment to evaluating the impact of their efforts promoting student outcomes.

## THEORY OF ACTION WORK NOW UNDERWAY

*February 4, 2016 09:50 AM*

The first Theory of Action Task Force meeting was held Feb. 3, 2016, at the Educational Leadership and Support Center. The Task Force includes a diverse representation of the District community working together to establish a system of rules, procedures, and assumptions the District can use to support and advance our vision of “Excellence for All.”

“The District is dedicated to innovation and continuous improvement,” noted Dr. Brad Buck, Superintendent. “More specifically, we are working to personalize the school experience for each student while still building on the strong foundation and rich traditions that endure in the District. The Theory of Action process will guide these efforts moving forward.”

The Task Force will next meet on Feb. 17. An outline of the work will be shared with the community in March for input. The Task Force will then develop the document during meetings in April and May. The recommended document will be presented to the Board of Education in June.

## DISTRICT HOSTS EQUITY CONVERSATION

*January 13, 2016 03:46 PM*



Some 100 parents, staff and community members participated in the District Equity Conversation held Jan. 12. The event was hosted by the Board of Education as an opportunity for stakeholders to learn more about current District equity initiatives and to share their ideas for additional programs and themes for moving forward.

“It was exciting to hear from the community about our ongoing equity efforts in the District,” said Dr. Brad Buck, Superintendent. “The comments and feedback we received will be compiled and the themes that emerge will continue to shape our work in the short and long term. We thank everyone who participated for their thoughtful and candid comments.”

Objectives of the District’s Equity Action Plan are:

- Courageous Equity Leadership Development for District and site administrators
- Effective use of data to progress monitor student performance and guide instruction
- Increased community involvement
- Recruitment/retention and promotion of a diverse workforce
- Increase high school graduation rates
- Decrease suspension/expulsions and referrals to Special Education



## STATE OF THE DISTRICT EVENT HIGHLIGHTS RELATIONSHIPS

“Relationships Matter Most” was the theme of the 2015 State of the District program, held Dec. 11. Parents, community leaders, students, and staff attended the annual breakfast event, which showcased the relationships between teachers and students, teachers and other teachers, and the District with the community. Innovative programming was also highlighted with the announcement of the Kenwood Leadership Academy, opening in the fall of 2016.



Dr. Brad Buck, Superintendent, hosted the program and began by describing the important role one of his elementary school teachers played in helping him adjust to a new school as a third grader. Later in the program, he emphasized the value of District relationships with community partners and went on to thank the community for its support of funding for facilities. Several special videos were featured during the program to highlight the theme.

### DISTRICT TO OPEN LEADERSHIP ACADEMY

The Cedar Rapids Community School District will open its second magnet school next fall. The Kenwood Leadership Academy Magnet School will open with the start of the 2016-17 school year. Students in grades preschool through fifth grade attend Kenwood Elementary School, 3700 E. Avenue NE. The magnet school will continue to serve the children of the neighborhood as well as families from across the District wishing to “lottery in” their children. The school will focus on leadership development through the Leader in Me Program (<http://www.theleaderinme.org/>) and will infuse the principles of leadership throughout the school and curriculum, aligning with Iowa Core standards.

“We are excited to expand our choice options for the families of Cedar Rapids and know the dedicated staff at Kenwood will create a great leadership-focused magnet school,” noted Dr. Brad Buck, Superintendent.

### VOLUNTEER PARTNERS CELEBRATED!

*November 11, 2015 06:57 PM*

The District celebrated the volunteer contributions of nearly 100 businesses and organizations with a “Galaxy of Stars” recognition Nov. 11. The program, held at the Educational Leadership and Support Center, included a reception, student entertainment, District and community speakers, and the introduction the honorees. The event was briefly moved to the ELSC Safe Room when severe weather warnings sounded.



Volunteer partners include for-profit businesses, non-profit agencies, and local organizations. The goal of each collaboration is to directly and positively strengthen the learning environment for students. The School and Community Partnership Program is part of the District's Volunteer Services Program and is coordinated through the Community Relations Department.

## DISTRICT ENROLLMENT INCREASES

*November 9, 2015 03:07 PM*

Enrollment in the Cedar Rapids Community Schools has increased by 110 students for the 2015-16 school year, compared to data from last year. The District currently has 16,267 students enrolled in kindergarten through 12th grade across its 21 elementary schools, six middle schools, four high schools, an alternative center, and off-site locations. An additional 792 students are enrolled in the District's preschool program for three- and four-year-olds.

"It is great news that we have an enrollment increase in our district," said Dr. Brad Buck, Superintendent. "We know that students have amazing opportunities in our schools and we are excited to have even more students to take part in all that we have to offer."

## WASHINGTON PROJECT COMPLETES HIGH SCHOOL REMODELING EFFORT *October 28, 2015 08:33 AM*

The Washington High School community celebrated the completion of a three-year construction project with an Open House on Tuesday, Oct. 27. Renovations made to the 59-year-old Cedar Rapids high school were funded by SAVE (Secure an Advanced Vision for Education). The \$31.6 million project included:

- New window and door systems to improve energy efficiency.
- A new geothermal heating and air-conditioning (HVAC) system that supports air quality throughout the building.
- New LED lighting systems in hallways and classrooms to provide appropriate levels for education settings.
- New exterior walls, cabinetry, ceilings, lighting, and floor coverings in nearly every classroom, giving the school a new look!
- Cafeteria improvements and updates that support health and wellness and promote community-building.
- New windows bring more natural light into the library.
- Mechanical upgrades in pools and gymnasium areas that improve ventilation.
- An enhanced fire alarm system that includes weather and intruder alerts.
- A new master clock and bell system to deliver exceptional accuracy and reduce maintenance needs.
- Interior fire protection, including fire-rated wall systems, to improve safety and security.

## U.S. EDUCATION SECRETARY TO VISIT DISTRICT

*September 10, 2015 09:00 AM*

U.S. Secretary of Education Arne Duncan and senior Department officials will make a stop at Roosevelt Middle School next week as part of the Back-to-School Bus Tour: "Ready for Success"

During the tour, Duncan and other senior Department officials will hold events highlighting the progress and achievements of educators, students, families and leaders in expanding opportunity for students throughout the nation. In addition to Cedar Rapids, tour stops will include schools in Des Moines, as well as Kansas City, Missouri; Champaign and Williamsfield, Illinois; West Lafayette and Indianapolis, Indiana; Louisville, Kentucky; Cincinnati, Ohio; and Pittsburgh, Pennsylvania.

## PPEL FUNDS AT WORK ACROSS THE DISTRICT

*September 3, 2015 04:00 PM*

The District's Physical Plant and Equipment Levy (PPEL) supports the maintenance and upkeep of the District's 425 acres of grounds and 2.7 million square feet of building space. The PPEL has been supported by voters in the Cedar Rapids Community School District for 40 years. Projects funded by PPEL include:

- Building envelope maintenance and repair (roofing and masonry).
- Campus parking lots and asphalt for playgrounds.
- Preventative maintenance, with planned equipment purchases and facility repairs, according to the District's Facilities Master Plan.
- Projects that provide for a safe and secure schools for students and staff.
- Increased investment in District vehicles/busses.
- Improved energy conservation efforts.



## 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 FY2016 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 6.45% on June 30, 2015 to 11.0% on June 30, 2016.

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 30<sup>th</sup> 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. The District's unspent balance increased from \$4.9 million on June 30, 2014 to \$5.8 million on June 30, 2015 and \$7.1 million on June 30, 2016. This improved reserve level now equates to 3.7% of General Fund expenditures. 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, 2016.

According to the Statement of Activities, Districtwide interest and investment revenue totaled \$156,663 for the year ending June 30, 2016. This compares to \$157,334 from the prior year.

#### **General Fund Budgetary Highlights**

Of all Governmental Funds, the General Fund is by far the largest, approximately 85% 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 FY2016.

Planning for the fiscal year 2017 budget was again very challenging. Over the past six fiscal years, 2011-2016, a total of \$18 million in General Fund budget reductions were planned. Over the past five fiscal years, 2012-2016, the District has reduced 139 full time equivalent (FTE) staff positions, or 6% of staff overall, despite a slight enrollment decline of 86 or 0.5% of resident students over the same period of time. This disparity between staff reduction and enrollment decline was primarily due to rising costs for staffing that exceeded the historically low levels of growth in State funding.

For fiscal years 2011-2016, State allowable growth rates, (now referred to as State Supplemental Aid Growth or SSA) in per pupil funding were 2%, 0%, 2%, 2%, 4% and 1.25% respectively. For fiscal year 2017, State Supplemental Aid growth of 2.25% was approved by the Iowa Legislature. Additional budget reductions targeted at \$2.33 million were necessary due primarily to a District commitment of 3.5% growth in compensation to all District staff funded from General Fund resources. These budget adjustments take into consideration the continued need to stabilize spending authority reserves in recent years that now comprise a mere 2% of overall General Fund budgeted expenditures. A very thin margin.

The fiscal year 2017 budget reduction package as seen on the following page totals \$2.35 million with a net reduction of 23 full time equivalent (FTE) staff. Fortunately, all but three position reductions were accomplished through attrition. It contains a combination of additional new revenues, general budget savings reductions, administrative/departmental reductions, non-administrative staff reductions as well as commitments to known new programs and services.

### **General Fund Ending Balance Trends**

Below listed are the most recent ten years of ending General Fund balances. As can be seen, FY2013 was the year with the lowest fund balance. Since then, the fund balance has shown strong gains with an ending fund balance for FY2016 of \$25.6 million representing 13.2% of fund expenditures. The FY2017 budget reductions shown on the next page (entitled FY2017 General Fund Budget Planning Scorecard) reflect the District's continued commitment to maintain an improved fund reserve position in FY2017.

<b>Fiscal Year</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Fund Balance	\$21.0	\$23.3	\$17.1	\$6.9	\$9.1	\$11.1	\$3.5	\$7.7	\$17.0	\$25.6
% of fund expenditures	13.6%	14.5%	9.8%	3.8%	5.0%	6.1%	1.9%	4.1%	8.9%	13.2%

### **General Fund Statistics**

- General Fund expenditures, excluding other financing uses, totaled \$194.2 million for the fiscal year compared with \$190.6 million in FY2015, representing an increase of \$3.6 million or 1.9% over the prior year.
- General Fund revenues, excluding other financing sources, totaled \$200.5 million for the fiscal year compared with \$197.7 million in the previous year, representing an increase of \$2.8 million or 1.4% over the prior year.
- The two largest revenue categories of the General Fund were Local Taxes, (property tax, and income surtax) at \$70.8 million and State Foundation Aid at \$80.9 million. These two categories alone make up 75.7% 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 \$380.9 million in SAVE revenues from inception of the SAVE tax in Linn County through December 31, 2029.

<b>Fiscal Year 2017: General Fund Budget Planning Scorecard</b> <b>Assumes all Employee Settlements @ 3.5%</b>		
<b>Revised 6-14-16</b>		
<b>2.25% SSA</b>	<b>Dollars</b>	<b>FTE</b>
<b>Target Reduction Amount</b>	<b>(\$2,333,344)</b>	
<b>Incremental Changes to Budget in FY2017</b>		
<b>1 Additional Revenue Sources</b>		
1 Additional SBRC Spending Authority for Special Education Administrative Costs (Tanager)	\$134,637	
<b>Sub Total</b>	<b>\$134,637</b>	<b>0.0000</b>
<b>2 General Budget Savings</b>		
1 Hire Down Savings (Recent 3 year average FY14-16)	\$634,424	
<b>Sub Total</b>	<b>\$634,424</b>	<b>0.0000</b>
<b>3 Administrative/Department Budget Savings</b>		
1 Shifting Administrative Software costs from General Fund to SAVE fund	\$589,966	
2 Shifting Transportation vehicle repair costs exceeding \$2,500 per repair from General Fund to SAVE fund	\$65,000	
3 Eliminate 2 FTE Middle School Associate Principals & 1.0 FTE Manager of Student Discipline and Attendance	\$454,746	(3.0000)
4 Reduce custodial and benefits & adjust supervisory Pay	\$141,890	(3.2500)
5 Reduce .5FTE nurse position	\$40,450	(0.5000)
6 Media Specialist Reduction (Taylor Elementary .5 FTE resignation/retirement)	\$32,941	(0.5000)
7 Shift .5 FTE nursing staff cost from non categorical funding to Special Education (3.0 FTE to 3.5FTE in spec	\$43,045	(0.5000)
<b>Sub Total</b>	<b>\$1,708,038</b>	<b>(7.7500)</b>
<b>4 Non-Administrative Staffing Adjustments (Savings)</b>		
1 High School - Eliminate "Zero Period," Reduce 4.0 FTE teachers @ ea. conventional HS & 1.0 FTE teacher @ Metro	\$1,075,848	(13.9800)
2 Eliminate elementary spanish	\$662,357	(10.0000)
<b>Sub Total</b>	<b>\$1,738,205</b>	<b>(23.9800)</b>
<b>5 Known New/Additional Programs &amp; Services</b>		
1 Magnet School Building Support Add 1 FTE	(\$76,956)	1.0000
2 Roosevelt Option Support	(\$15,391)	0.2000
3 African American Awareness Program and Rights of Passage Continuation	(\$60,000)	
4 Add 3.0 FTE's Jackson Elementary Principal, Executive Director of Personalized Learning & Middle Level Ed. & Associate Director Spec Education - Tanager	(\$493,006)	3.0000
5 Increase tuition costs due to increase in Open Enrollment net out migration	(\$322,300)	
6 Increase costs for increased participation in Kirkwood CC Concurrent Enrollment in FY17	(\$80,000)	
7 Contingency for Fall 2016 staffing needs (2FTE staffing @ beginning teacher package)	(\$121,310)	
8 City of CR proposed stormwater fee increase	(\$33,000)	
9 Alternative Kindergarten to full day in FY2017 (3.0 FTE Teachers + 1.5 FTE paras, see attachment)	(\$271,908)	4.5000
10 CROTA Additional settlement costs	(\$54,000)	
<b>Sub Total</b>	<b>(\$1,867,872)</b>	<b>8.7000</b>
<b>Total Score Card Adjustments (Net Savings)</b>	<b>\$2,347,432</b>	<b>(23.0300)</b>
<b>Remaining (- reduction, + no reduction) needed to achieve target</b>	<b>\$14,088</b>	

### **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 continues to use the SAVE revenue in three principal areas: property tax relief, technology for classrooms and District infrastructure needs. The expansion of PPEL uses by the Iowa Legislature in recent years has allowed the District to consider SAVE funds for the payment of facility lease and non-instructional software costs. It is estimated that facility leases and non-instructional software obligations will cost approximately \$18.1 million through December 31, 2029 when SAVE fund revenues expire.

**Property Tax Relief:** SAVE tax dollars continue to 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 2016. 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, facility leases and non-instructional software is \$222.7 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 for such infrastructure improvements as plumbing, wiring, lighting and other facility upgrades at Kingston Stadium. New energy efficient window walls and geothermal Heating and Air Conditioning systems (HVAC) at Jefferson and Washington High Schools. New geothermal HVACs at Kennedy High, Taft Middle and Harding Middle Schools. An IMC addition project was also completed at Grant Elementary school. Installation of a new geothermal HVAC system and new exterior energy efficient windows was also completed at Hiawatha Elementary school.

### **SAVE Unobligated Reserves**

As of September 6, 2016, total estimate SAVE unobligated reserves total \$59.8 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. Infrastructure needs totaling \$425 million were quantified as follows:

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

A new initiative to update the District's Facilities Master Plan is currently underway. The theme of this new initiative is Reimagine, Re-Envision, and Reinvest in our students and school facilities. Beginning on September 20, 2016, a committee of approximately one hundred volunteers will meet about a dozen times over the next 14 months to help craft a Facilities Master Plan. This District Facilities Master Plan will ultimately be submitted to the Board of Education for consideration on Sept. 25, 2017, with consideration of final Board adoption planned for October 23, 2017.

## **Enterprise Operation Budgetary Highlights**

### **Nutrition Services Fund**

Revenues which include operating revenues, non-operating revenues, transfers in and capital contributions totaled \$8,436,116 compared to \$7,984,221 in the previous year representing an increase of \$451,895 over the fiscal year 2015 amount. Expenses which include operating expenses and transfers out totaled \$7,998,775 compared to \$7,818,908 in the previous year representing an increase of \$179,867 from the fiscal year 2015 amount. Net position was \$760,208 at June 30, 2016 up from \$322,867 in the prior fiscal period.

Meal prices were increased for FY2016 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 \$0.05 and 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 \$4,818,987 compared to \$4,680,064 in fiscal year 2015. Expenses which include operating expenses and transfers out totaled \$4,270,881 compared to \$4,427,132 in fiscal year 2015.

Net position was -\$1,213,237 at June 30, 2016 compared to -\$1,761,343 in the prior fiscal period. The net position has been reduced \$2,170,772 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 levy rate of the District has been very stable over the last five years. For fiscal years 2008 through 2016, the District used a total of \$34 million in SAVE revenues for property tax relief. For FY2017 the District will use an additional \$4 million in SAVE revenues for property tax relief.

When planning the budget for fiscal year 2017, 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 \$2.3 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 remains unchanged from the previous fiscal year at \$15.38 per \$1,000 of taxable valuation.

### Total District Property Tax Levy Rate Trends

Fiscal Year	FY13	FY14	FY15	FY16	FY17
Tax Rate	\$15.16	\$15.48	\$15.48	\$15.38	\$15.38

Total District property taxes collected in FY2016 were \$77,215,203 a decrease of \$120,338 from FY2015 when \$77,335,541 in property taxes were collected.

### Debt Administration:

On June 30, 2016 the District had \$122.2 million in outstanding long term debt for funding infrastructure from the following issuances:

- \$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.
- \$13,935,000 in General Obligation Refunding Bonds dated May 1, 2016 and payable through June 30, 2021.

## 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 14 to 102 years with an average age of 58 years. The age of the District's middle school buildings ranges from 51 to 94 years with an average age of 75 years. The age of the District's high schools ranges from 48 to 57 years with an average age of 52 years. Metro High School, the District's alternative high school is 45 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 \$479,918,574.

## 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 five out of seven years (October 2009 to October 2015) with enrollment losses amounting to 563 resident pupils representing 3.3% of total enrollment. Resident student enrollment stands at 16,939 as of October 2015. It is believed that the long term enrollment losses related to the flood have ended and that enrollments should hold stable 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. Low levels of funding growth beginning in FY2011 were initially in response to the national and consequently State of Iowa economic recession. Despite improvement in the State's economy in recent years low funding growth continues. Funding growth has been as follows: FY2011: 2%, FY2012: 0%, FY2013: 2%, FY2014: 2%, FY2015: 4%, FY16: 1.25% & FY17: 2.25%. 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%. For FY2017 average settlements exceeded funding growth by 0.66%. 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, FY2015 and FY2016 budget reduction targets were vastly improved. Monitoring adherence to FY2017'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 \$380.9 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:** For FY2017 the District experienced an increase of 18% in health insurance premiums overall. In fiscal year 2016 some rates actually decreased 17% (HMO Basic) while others increased as much as 3.5% (PPO Choice). For fiscal years 2012, 2013, 2014 and 2015 premiums increased 3.6% 6.4%, 3.5% and 7.4%, respectively. For fiscal years 2009, 2010 and 2011 there were no premium increases at all. District leadership is actively engaged with employee groups in looking for a long term solution that is equitable for all. 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, 2015. This was the twenty-first 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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive style with a prominent 'J' and 'E'.

Executive Director/CEO



**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, 2015.**

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

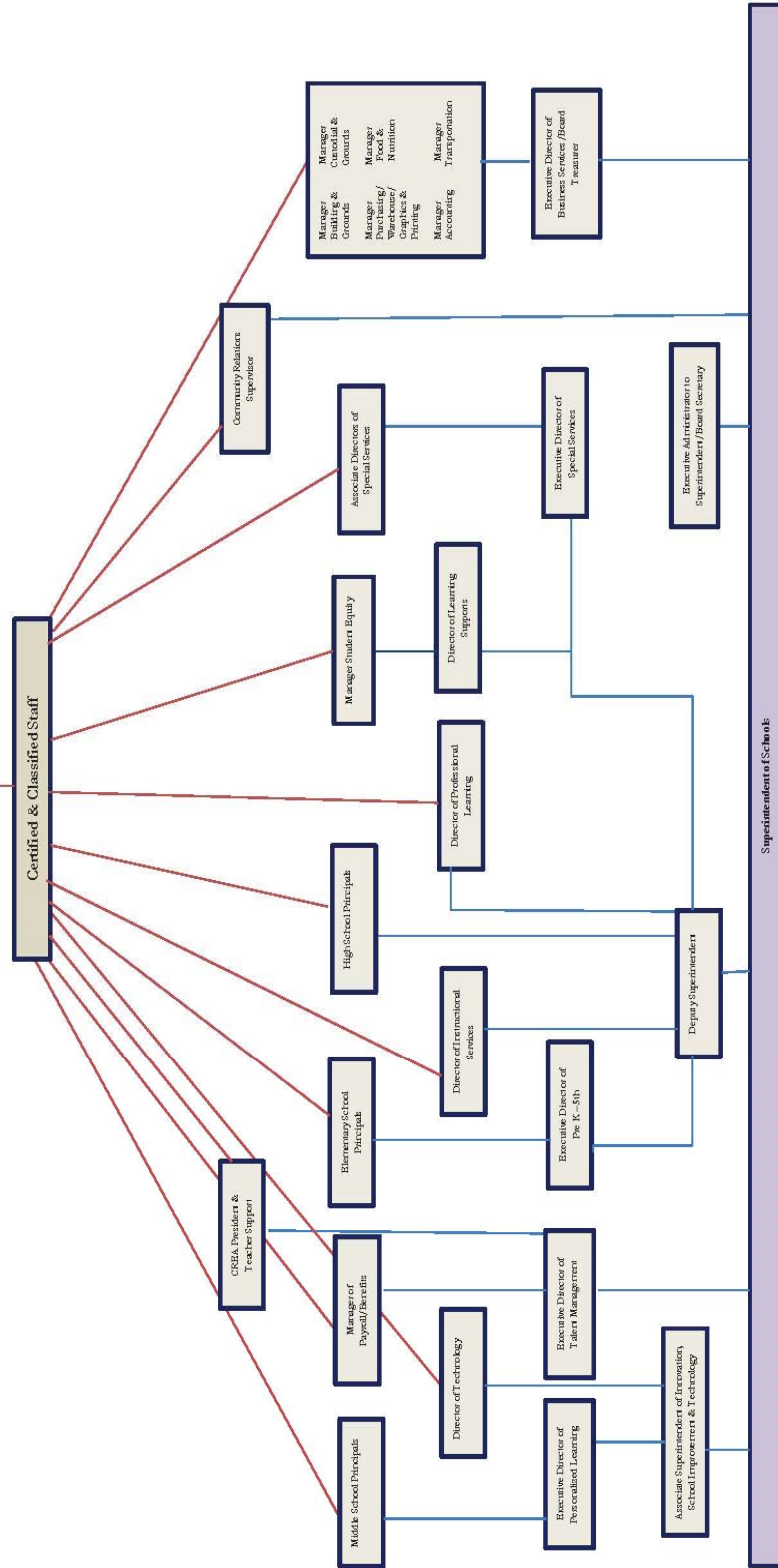


*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director





**Cedar Rapids Community School District**

**Board of Education and District Officials  
Year Ended June 30, 2016**

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
<b>Board of Education</b> (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
<b>Board of Education</b> (After September 2015 election)		
John Lavery	President	2019
Gary Anhalt	Vice-President	2017
Nancy Humbles	Director	2017
Rafael Jacobi	Director	2019
Kristen Janssen	Director	2019
Mary Meisterling	Director	2019
Keith Westercamp	Director	2017
<b>District Officials</b>		
Dr. Brad Buck	Superintendent	
Laurel Day	Board Secretary	
Steve Graham	Board Treasurer	

**Independent Auditor's Report**

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, 2016, 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, 2016, 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.

## **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 53 through 55 and the Iowa Public Employees' Retirement System schedule of the District's proportionate share of the net pension liability on page 57, the Iowa Public Employees' Retirement System schedule of District contributions on page 56 and the schedule of funding progress for the District's other postemployment benefit plan - MIIP 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, and the accompanying schedule of expenditures of federal awards as required by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 November 29, 2016 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  
November 29, 2016

## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

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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, 2016. 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.

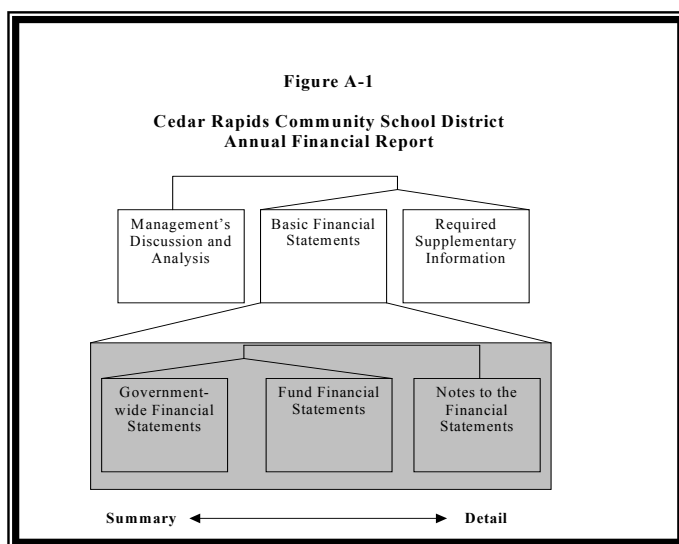
#### Overview of the Financial Statements

- 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.

## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

- 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).

## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

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

An increase of 54% or \$16.2 million in the District's net position is evidenced in Figure A-3. Net Position increased in large part due to the continued improvement in General Fund ending balances which alone

**Figure A-3**

**Condensed Statement of Net Position (in millions of dollars)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total School District</b>		<b>Total Percentage Change</b>
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015-2016</b>
Current and other assets	\$168.1	\$170.3	\$2.6	\$3.3	\$170.7	\$173.6	1.7%
Capital assets	202.7	202.9	1.0	1.0	203.7	203.9	0.1%
<b>Total assets</b>	<b>370.8</b>	<b>373.2</b>	<b>3.6</b>	<b>4.3</b>	<b>374.4</b>	<b>377.5</b>	<b>0.8%</b>
Pension related amounts	15.2	28.7	0.8	1.4	\$16.0	\$30.1	0.0%
Deferred amount on refunding	3.8	3.5	0.0	0.0	\$3.8	\$3.5	0.0%
<b>Total deferred outflows</b>	<b>19.1</b>	<b>32.2</b>	<b>0.8</b>	<b>1.4</b>	<b>19.8</b>	<b>33.6</b>	<b>0.0%</b>
Current liabilities	37.2	32.3	0.6	0.6	37.8	32.9	-13.1%
Noncurrent Liabilities	205.8	218.4	3.7	4.4	209.5	222.8	6.4%
<b>Total liabilities</b>	<b>243.0</b>	<b>250.7</b>	<b>4.2</b>	<b>5.0</b>	<b>247.3</b>	<b>255.7</b>	<b>3.4%</b>
Property taxes	77.3	77.6	0.0	0.0	77.3	77.6	0.3%
Income surtaxes	7.3	6.9	0.0	0.0	7.3	6.9	-5.7%
Pension related amounts	31.0	23.8	1.5	1.2	32.5	25.0	0.0%
<b>Total deferred inflows</b>	<b>115.7</b>	<b>108.3</b>	<b>1.5</b>	<b>1.2</b>	<b>117.2</b>	<b>109.5</b>	<b>-6.6%</b>
<b>Net position</b>							
Net investment in capital							
Assets	88.9	92.6	1.0	1.0	89.9	93.6	4.1%
Restricted	20.7	21.9	0.0	0.0	20.7	21.9	5.9%
Unrestricted	(78.4)	(68.1)	(2.5)	(1.5)	(80.8)	(69.6)	-13.9%
<b>Total net position</b>	<b>\$31.2</b>	<b>\$46.4</b>	<b>(\$1.4)</b>	<b>(\$0.4)</b>	<b>\$29.8</b>	<b>\$45.9</b>	<b>54.3%</b>

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.

## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

are up \$8.6 million over the prior period. Noncurrent Liabilities increased \$13.3 million or 6.4% over the prior period. This was due to an increase in the noncurrent portion of long-term obligations reflective of the District's increase in long term debt obligations.

Changes in Net Position, as shown in Figure A-4, show that the District as a whole experienced an increase of \$16.2 million in net position. This compares to a \$22.9 million increase in net position in the previous fiscal year. Total revenues increased by 0.8% over the prior period driven largely by increases in State revenues, up 7.3% or \$6 million over the prior year. Total expenses increased by 3.8% over the prior year led by increases in Administrative & Business expenditures of 17.6% or \$3.9 million. Building administrative cost increases led this category of spending. Noteworthy in the expenditures category is the decline of Maintenance and Operations expenditures of 13.2% or \$3.1 million.

**Figure A-4**

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total School District</b>		<b>Percentage Change</b>
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015-2016</b>
<b>Revenues</b>							
Program revenues							
Charges for services	\$11.0	\$10.8	\$7.5	\$7.5	\$18.4	\$18.3	-0.9%
Operating Grants & Contributions	36.6	31.7	5.0	5.4	41.6	37.1	-10.8%
Capital Grants & Contributions	0.1	0.1	-	-	0.1	0.1	0.0%
General revenues							
Taxes	101.0	100.5	-	-	101.0	100.5	-0.4%
State formula aid not restricted	82.1	88.1	-	-	82.1	88.1	7.3%
Other	3.8	4.8	0.1	0.1	3.9	4.9	26.3%
<b>Total revenues</b>	<b>234.5</b>	<b>236.1</b>	<b>12.6</b>	<b>13.0</b>	<b>247.1</b>	<b>249.1</b>	<b>0.8%</b>
<b>Expenses</b>							
Instruction	\$125.9	\$132.5	-	-	\$125.9	\$132.5	5.3%
Pupil & Instructional Services	20.5	20.1	-	-	20.5	20.1	-1.8%
Administrative & Business	22.2	26.2	-	-	22.2	26.2	17.6%
Maintenance & Operations	23.6	20.5	-	-	23.6	20.5	-13.2%
Transportation	7.3	8.4	-	-	7.3	8.4	15.0%
Other	12.9	13.4	11.8	11.8	24.7	25.1	1.9%
<b>Total expenses</b>	<b>212.4</b>	<b>221.1</b>	<b>11.8</b>	<b>11.8</b>	<b>224.2</b>	<b>232.8</b>	<b>3.8%</b>
<b>Excess before transfers</b>	<b>\$ 22.1</b>	<b>\$ 15.0</b>	<b>\$ 0.8</b>	<b>\$ 1.2</b>	<b>\$ 22.9</b>	<b>\$ 16.2</b>	
Transfers In	0.4	0.2	-	-	0.4	0.2	-48.5%
Transfers out	-	-	(0.4)	(0.2)	(0.4)	(0.2)	-48.5%
<b>Total transfers</b>	<b>0.4</b>	<b>0.2</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Increase in net position</b>	<b>\$ 22.5</b>	<b>\$ 15.2</b>	<b>\$ 0.4</b>	<b>\$ 1.0</b>	<b>\$ 22.9</b>	<b>\$ 16.2</b>	<b>-29.1%</b>
<b>Net Position - Beginning</b>	<b>\$ 8.7</b>	<b>\$ 31.2</b>	<b>\$ (1.9)</b>	<b>\$ (1.5)</b>	<b>\$ 6.8</b>	<b>\$ 29.7</b>	<b>12.3%</b>
<b>Net Position - Ending</b>	<b>\$ 31.2</b>	<b>\$ 46.4</b>	<b>\$ (1.5)</b>	<b>\$ (0.5)</b>	<b>\$ 29.7</b>	<b>\$ 45.9</b>	<b>54.6%</b>

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.



## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

**Figure A-5** shows the sources of total District revenues. Local Taxes, is the District's largest revenue source, comprising 40% of District revenues with State Foundation Aid, the District's second largest, comprising 35%. Grant revenues from Federal, State and local sources, which continue to play a very important role in funding District programs, represents 15% 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 (66%) are devoted to direct Instruction and Pupil & Instructional Services.

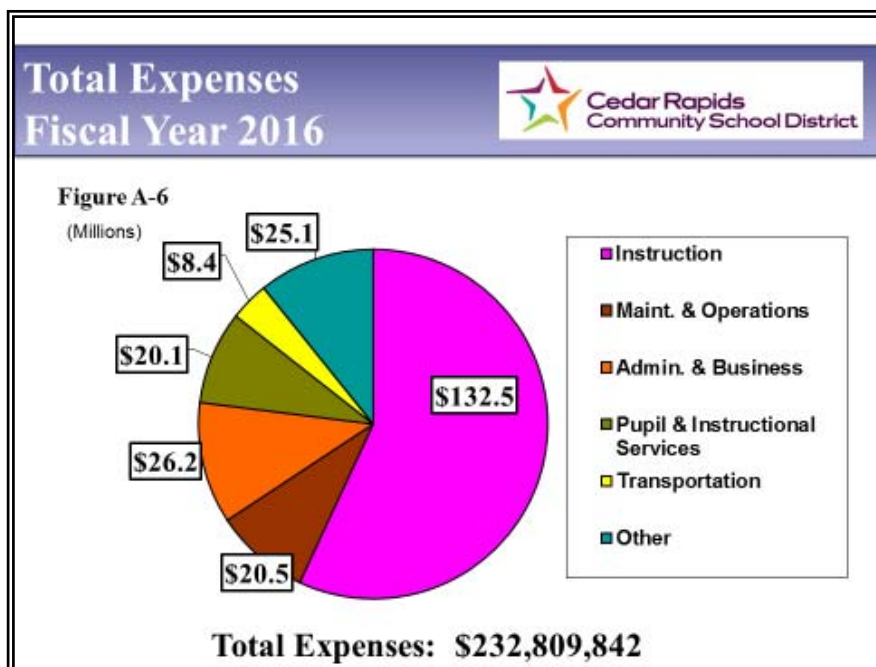
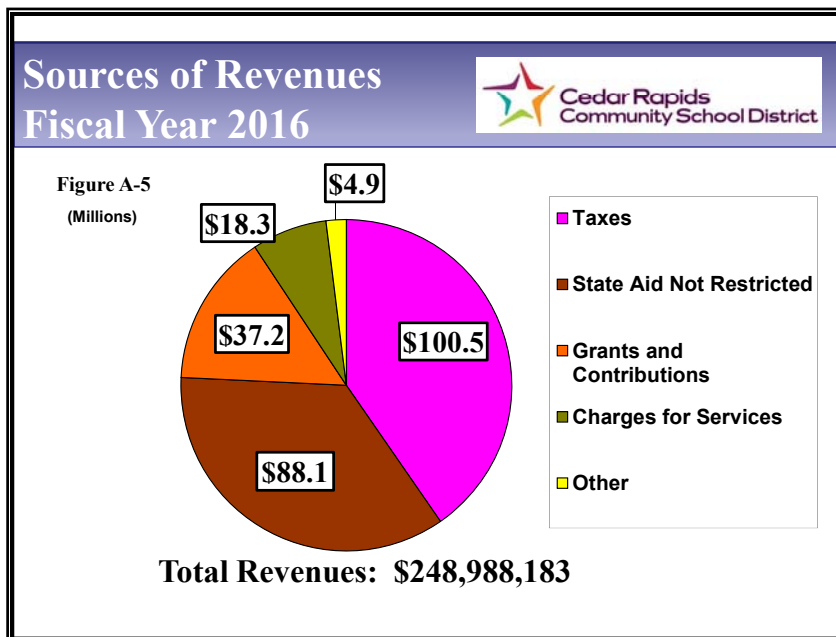
The "Other" expense category is represented by Investments in community services, interest on long term debt and AEA flow through.

AEA flow through expenses of \$7.3 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 24 nonpublic schools served by our AEA, according to the most recent accreditation history listed in the Department of Ed Directory (2015-16).

#### 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 \$4.96 billion to \$4.99 billion for FY2016. Overall property tax valuation trends over the past ten years show an average annual increase of 2.2%.



## Cedar Rapids Community School District

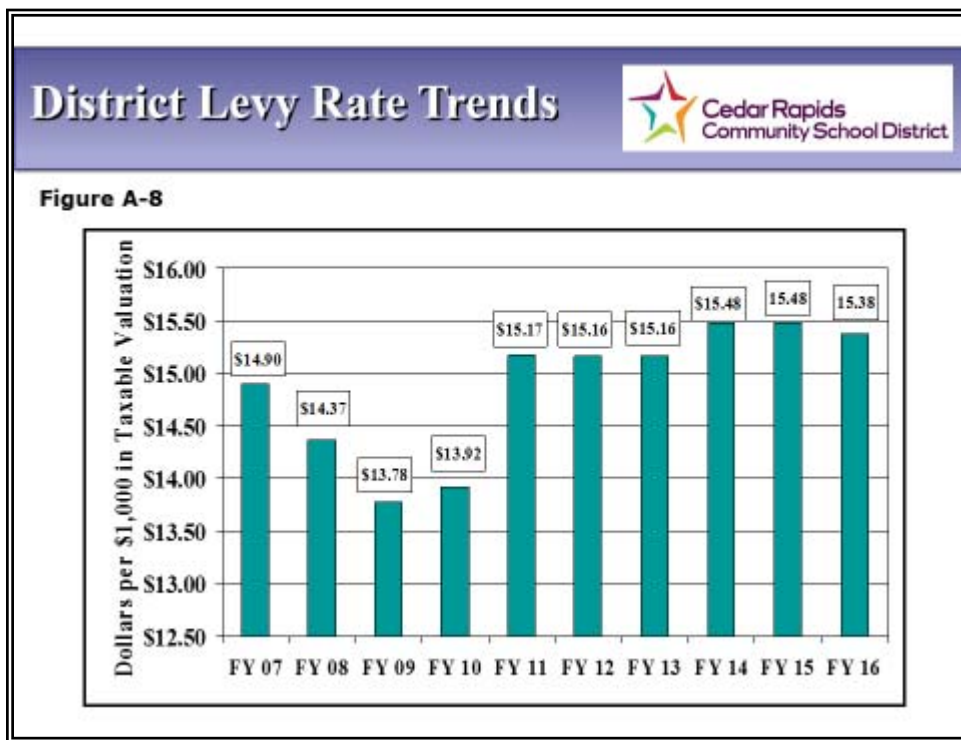
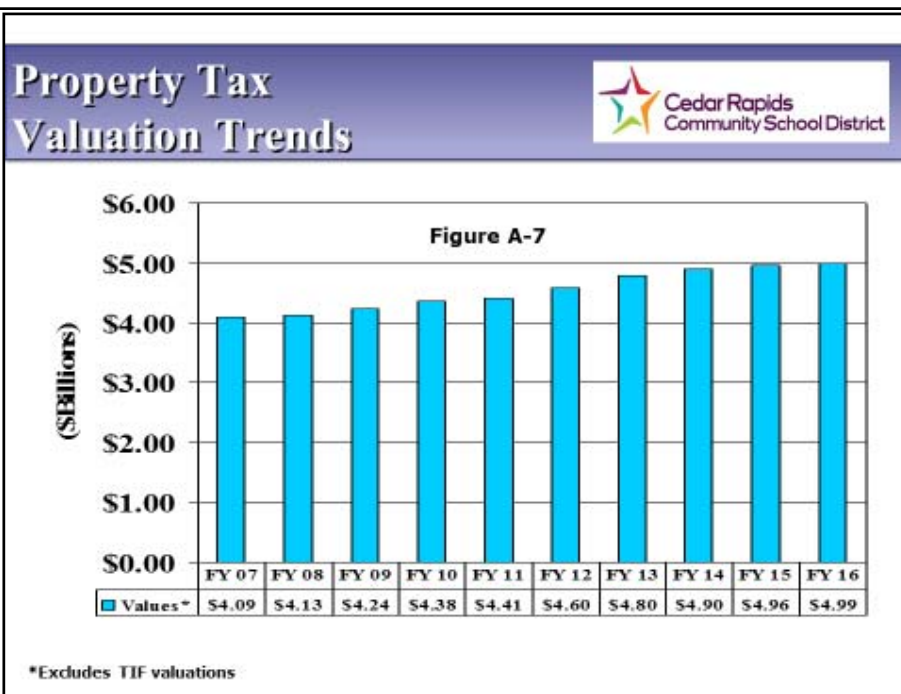
### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

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 \$14.90 in FY07 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 General Fund 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 over \$13 million in FY2014, FY2015 and FY2016 played a major role in increasing and sustaining the overall levy rate at \$15.48 for two years with a slight decline in the rate to \$15.38 for FY2016.

**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:



## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

- The cost of all governmental activities this year was \$221.1 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, (\$31.8 million).

**Figure A-9**

**Net Cost of Governmental Activities (in millions of dollars)**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2015	2016		2015	2016	
Instruction	\$125.9	\$132.5	5.3 %	\$ 87.4	\$ 99.3	13.6 %
Pupil & Instructional Services	20.5	20.1	-1.8	20.0	19.5	-2.3
Administrative & Business	22.2	26.2	17.6	22.1	26.0	17.7
Maintenance & operations	23.6	20.5	-13.2	23.6	20.5	-13.2
Transportation	7.3	8.4	15.0	7.2	8.3	15.1
Other	12.9	13.4	3.6	4.5	4.9	10.0
<b>Total</b>	<b>\$ 212.4</b>	<b>\$ 221.1</b>	<b>4.1 %</b>	<b>\$ 164.7</b>	<b>\$ 178.5</b>	<b>8.4 %</b>

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.

- Most of the District's governmental activities costs however, were financed by District and state taxpayers with \$100.5 million in local and state taxes and \$88.1 million in unrestricted state aid based on the statewide education aid formula as well as other state funding sources.

#### Business-Type Activities

- Business revenues were up slightly at \$13 million in FY2016 compared to \$12.5 million in FY2015. Charges for services were \$7.5 million with Operating grants and contributions, (federal and state subsidies) at \$5.5 million.
- Business expenses held steady at \$11.8 million for both FY2016 and 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 funds Net position was \$760,208 at June 30, 2016 up from \$322,867 in the prior fiscal period. Sound business practices in aligning meal pricing to reflect all costs of operations continues to be the manta 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 \$3.6 million with total accumulated depreciation of \$2.6 million for a net value of \$0.99 million, down from a net value of \$1.03 million in the prior year.

## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

#### Other Highlights of the Food and Nutrition Fund include:

- Nearly 45,000 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 FY2016, meal prices increased in order to comply with the Paid Lunch Equity provision of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA).
- In September 2015, four (4) schools enrolled in the meal certification program under Community Eligibility Provision and realized a 20% increase in breakfast and a 10% increase in student lunch participation overall.
- Students qualifying for free and reduced meals decreased slightly from 47.56% of district students in FY2015 to 47% in FY2016.
- Almost 66,500 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 1.4%, or \$2.8 million in FY2016. A significant part of this was the result of increases of \$2.2 million in State revenue sources over the previous fiscal year.

<b>Figure A-10</b>					
<b>General Fund Revenues by Source</b>	<b>FY 2016</b>		<b>FY 2015</b>		
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>	<b>Change</b>
<b>Local Sources</b>					
Local Taxes	\$70,824,111	35.3%	\$70,940,396	35.8%	-0.2%
Tuition	4,685,211	2.3%	4,684,090	2.6%	0.0%
Student Fees and Activities	590,822	0.3%	550,720	0.3%	7.3%
Investment Earnings	22,021	0.0%	9,594	0.0%	129.5%
Other Local Sources	3,333,804	1.7%	2,644,778	1.8%	26.1%
<b>State Sources</b>					
State Foundation Aid	80,904,052	40.4%	80,266,246	37.5%	0.8%
Salary Improvement Program	9,169,285	4.6%	9,065,788	4.6%	1.1%
Other State Aid	21,827,364	10.9%	20,376,892	7.4%	7.1%
<b>Federal Sources</b>					
Title I	3,553,890	1.8%	3,518,292	2.4%	1.0%
Other Federal Aid	5,571,605	2.8%	5,637,977	7.5%	-1.2%
<b>Total Revenues</b>	<b>\$200,482,165</b>	<b>100.0%</b>	<b>\$197,694,773</b>	<b>100.0%</b>	<b>1.4%</b>
Other Financing Sources	<b>2,546,164</b>		<b>2,396,768</b>		<b>6.2%</b>
<b>Grand Total Resources</b>	<b>\$203,028,329</b>		<b>\$200,091,541</b>		<b>1.5%</b>

## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

General Fund expenditures by function for fiscal years 2015 and 2016 are summarized in **Figure A-11**. Overall expenditures increased by \$3.7 million or 1.9% over the previous year reflecting careful budget reduction planning. Noteworthy changes are an increase of 2.8% or \$3.4 million in Instruction and a decrease of 11.4% or \$0.7 million in Business Services.

<b>Figure A-11</b>					
<b>General Fund Expenditures by Function</b>	<b>FY 2016</b>		<b>FY 2015</b>		<b>Change</b>
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>	
Instruction	\$124,960,105	64.4 %	\$121,514,263	68.3 %	2.8 %
Student Support Services	5,503,668	2.8	5,606,672	2.7	-1.8
Instructional Staff Support Services	14,315,160	7.4	13,544,342	3.4	5.7
General Administration	3,763,421	1.9	3,467,752	1.4	8.5
School Administration	12,789,691	6.6	12,755,892	6.4	0.3
Business Services	5,227,775	2.7	5,899,154	2.9	-11.4
Operations and Maintenance	14,431,557	7.4	14,810,930	8.2	-2.6
Student Transportation	5,833,771	3.0	5,786,788	2.7	0.8
AEA Support - Direct to AEA	7,319,340	3.8	7,241,289	3.9	1.1
<b>Total Expenditures</b>	<b>\$194,144,488</b>	<b>100.0 %</b>	<b>\$190,627,082</b>	<b>100.0 %</b>	<b>1.8 %</b>
Other Financing Uses	281,416		89,457		100.0
<b>Total Expenditures and Uses</b>	<b>\$194,425,904</b>		<b>\$190,716,539</b>		<b>1.9 %</b>

**Figure A-12** (next page) provides a comparison of the Original budget, Re-estimated budget and Actual revenues and expenditures in the General Fund for fiscal year 2016. Total Re-estimated budget revenues were very close to actual revenues received in all categories. The Original budget contained an estimate of State Aid that was \$4 million over the Re-estimated budget. This was due to inaction by the State legislature in setting State funding growth in time for the Original budget certification deadline. This forced the District to do its best in estimated what this funding level might be.

Actual expenditures before Other Financing Uses were a mere \$0.4 million or 0.2% less than re-estimated budget expenditures for the period.

Actual expenditures in the areas of Student Support, School Administration, Student Transportation and Community Services were slightly higher than re-estimate. Expenditures in Instructional Staff Support Services, and Business Services led the categories that were slightly lower than re-estimate.



## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

**Figure A-12  
General Fund Budget and Actual Comparison  
Fiscal Year 2016**

	Budget		Original to Re-estimated % Variance	Actual	Re-estimated to Actual % Variance
	Original	Re-estimated			
<b>Revenues</b>					
Local Taxes	\$71,980,801	\$71,134,669	-1.2%	\$70,824,111	-0.4%
Tuition	5,100,000	4,778,457	-6.3%	4,685,211	-2.0%
Other local sources	3,020,000	3,105,027	2.8%	3,946,647	27.1%
State sources	116,421,026	112,202,144	-3.6%	111,900,701	-0.3%
Federal sources	8,600,000	8,372,422	-2.6%	9,125,495	9.0%
Total Revenues	\$205,121,827	\$199,592,719	-2.7%	\$200,482,165	0.4%
Other Financing Sources	2,251,487	2,488,621	10.5%	2,546,164	2.3%
<b>Total Revenues &amp; other sources</b>	<b>\$207,373,314</b>	<b>\$202,081,340</b>	<b>-2.6%</b>	<b>\$203,028,329</b>	<b>0.5%</b>
<b>Expenditures</b>					
Instruction	\$125,649,250	\$126,235,205	0.5%	\$124,960,105	-1.0%
Student Support Services	\$5,033,072	\$5,159,051	2.5%	5,503,668	6.7%
Instructional Staff Support Services	\$15,808,330	\$15,441,642	-2.3%	14,315,160	-7.3%
General Administration	\$4,166,947	\$3,872,590	-7.1%	3,763,421	-2.8%
School Administration	\$12,821,943	\$11,967,342	-6.7%	12,789,691	6.9%
Business Services	\$6,367,990	\$5,763,742	-9.5%	5,227,775	-9.3%
Operations and maintenance	\$14,276,976	\$13,359,036	-6.4%	14,431,557	8.0%
Student transportation	\$5,485,023	\$5,391,803	-1.7%	5,833,771	8.2%
Community Services	\$0	-	-	-	-
AEA Support - Direct to AEA	\$8,107,504	7,319,340	-9.7%	7,319,340	0.0%
Total Expenditures	\$197,717,035	\$194,509,751	-1.6%	\$194,144,488	-0.2%
Other Financing Uses	89,457	90,513	1.2%	281,416	210.9%
<b>Total Expenditures &amp; Sources (Uses)</b>	<b>\$197,806,492</b>	<b>\$194,600,264</b>	<b>-1.6%</b>	<b>\$194,425,904</b>	<b>-0.1%</b>

### 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.

## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

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

Figure A-13								
All Other Governmental Funds, (Excluding General Fund)								
Fiscal Year 2016 Revenues								
Revenue Source	Major Funds		Activity Fund	Debt Service	Management	Total	% of Total	Dollar Change Previous Yr.
	SAVE	PPEL						
Local	\$ 240,132	\$ 8,776,290	\$ 3,952,696	\$ 105,153	\$ 5,223,300	\$ 18,297,571	30.7 %	\$ 354,672
State	16,080,075	293,439	-	-	185,473	\$ 16,558,987	27.8	(774,985)
Federal	167,113	-	-	576,797	-	\$ 743,910	1.2	93,841
<b>Total Revenues</b>	<b>\$ 16,487,320</b>	<b>\$ 9,069,729</b>	<b>\$ 3,952,696</b>	<b>\$ 681,950</b>	<b>\$ 5,408,773</b>	<b>\$ 35,600,468</b>	59.7	<b>\$ (326,472)</b>
Bond Proceeds	-	-	-	15,470,560	-	\$ 15,470,560	25.9	7,137,754
Other Financing Sources	9,941	389,803	-	8,162,008	-	\$ 8,561,752	14.4	(248,436)
<b>Total Revenue &amp; Other</b>	<b>\$ 16,497,261</b>	<b>\$ 9,459,532</b>	<b>\$ 3,952,696</b>	<b>\$ 24,314,518</b>	<b>\$ 5,408,773</b>	<b>\$ 59,632,780</b>	100.0 %	<b>\$ 6,562,846</b>

#### Summary of Revenues

In the "All Other Governmental Funds" group as depicted in **Figure A-13**, the District experienced a decrease of \$0.3 million in "Total Revenues" from the prior year (excluding other financing sources) and an overall revenue increase of \$6.6 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.)

- **PPEL Fund** revenues were up \$3.6 million or 61% over the previous year due almost entirely to an increase in the voter approved levy rate from \$0.67 to the State maximum of \$1.34 per \$1,000 of taxable valuation.
- **Debt Services Fund** revenues were up \$16.3 million or 201% from the previous fiscal year reflecting bond proceeds of \$15.5 million from a debt refunding issuance during the period.
- **SAVE Fund** revenues were down \$9.8 million or 37% from the previous year when \$9 million in bond proceeds were included in overall fund revenues.

#### Summary of Expenditures

In the "All Other Governmental Funds" group, as depicted in **Figure A-14**, (next page) the District experienced an increase of \$8.0 million or 15% 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).

- **PPEL Fund** expenditures increased \$2.9 million or 59% over the previous fiscal period for ongoing commitments to District infrastructure repair and maintenance.
- **Debt Service Fund** expenditures increased \$16.3 million or 194% over the previous period due entirely to expenditures related to a refunding bond transaction occurring during the period.
- **SAVE Fund** expenditures decreased by 11.9 million or 42% over the previous year due to reductions in construction spending.

# Cedar Rapids Community School District

## Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

Figure A-14										
All Other Governmental Funds, (Excluding General Fund)										
Fiscal Year 2016 Expenditures										
Major Funds			Other Gov. Funds							
Expenditure			Activity	Debt	Manage-		% of	Dollar	Percent	
Function	SAVE	PPEL	Fund	Service	ment	Total	Total	Change	Change	
								Previous Yr.	Prev. Yr.	
Regular instruction	\$ 2,055,560	\$ -	\$ -	\$ -	\$ 3,592,121	\$ 5,647,681	9.3%	\$ 1,197,300	26.9%	
Other instruction	-	-	4,034,878	-	-	4,034,878	6.6%	(122,391)	-2.9%	
Student support services	-	-	-	-	-	-	0.0%	-	-	
Instructional staff services	575,752	-	-	-	69,563	645,315	1.1%	(1,339,297)	-67.5%	
General administration services	-	-	-	-	200,463	200,463	0.3%	37,981	23.4%	
School administration services	126,992	-	-	-	552,886	679,878	1.1%	(56,848)	-7.7%	
Business services	395,049	116,454	-	-	214,321	725,824	1.2%	515,126	244.5%	
Operations and maintenance	-	91,228	-	-	1,924,887	2,016,115	3.3%	(157,515)	-7.2%	
Student transportation	-	1,309,170	-	-	612,819	1,921,989	3.2%	1,439,929	298.7%	
Food Service	-	-	-	-	217,375	217,375	0.4%	(9,370)	-4.1%	
Community services	-	-	-	-	33,500	33,500	0.1%	13,833	70.3%	
Facilities/acquisition	4,392,571	5,084,548	-	-	-	9,477,119	15.6%	(10,117,009)	-51.6%	
Debt Service Principal	-	-	-	3,710,000	-	3,710,000	6.1%	985,000	36.1%	
Debt Service Interest	-	-	-	5,549,533	-	5,549,533	9.1%	226,058	4.2%	
Bond Issuance Costs	-	-	-	118,828	-	118,828	0.2%	(249,709)	-67.8%	
Total Expenditures	\$ 7,545,924	\$ 6,601,400	\$ 4,034,878	\$ 9,378,361	\$ 7,417,935	\$ 34,978,498		\$ (7,636,912)	-17.9%	
Other Financing Uses	8,564,069	1,902,802	-	15,359,765	117,465	25,944,101	42.6%	15,593,765	150.7%	
Total Expenditures & Other	\$16,109,993	\$ 8,504,202	\$ 4,034,878	\$24,738,126	\$ 7,535,400	\$ 60,922,599	100.0%	\$ 7,956,853	15.0%	

### 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**.

The **General Fund** ending fund balance experienced an increase of \$8.6 million from the previous fiscal year. This was a result of continued careful budget planning to restore reserves.

The **Special Revenue Funds** ending balances, (Activity and Management funds combined) experienced a decrease of \$2.2 million due largely to a planned spend down of Management fund reserves.

<b>Figure A-15</b> <b>Fund Balances</b>				
	June 30, 2016	June 30, 2015	\$ Increase (Decrease)	% Increase (Decrease)
General Fund	\$25,645,993	\$17,043,568	\$8,602,425	50.5%
Special Revenue Funds*	5,483,205	7,692,013	(2,208,808)	-28.7%
Capital Projects Funds**	15,730,684	14,388,087	1,342,597	9.3%
Debt Service Fund	12,618,616	13,042,224	(423,608)	-3.2%
<b>Total</b>	<b>\$59,478,498</b>	<b>\$52,165,892</b>	<b>\$7,312,606</b>	<b>14.0%</b>
<b>*Special Revenue Funds</b>				
Activity	\$1,251,728	\$1,333,909	(\$82,181)	-6.2%
Management	4,231,477	6,358,104	(\$2,126,627)	-33.4%
<b>Total</b>	<b>\$5,483,205</b>	<b>\$7,692,013</b>	<b>(\$2,208,808)</b>	<b>-28.7%</b>
<b>**Capital Projects Funds</b>				
SAVE	\$8,227,448	\$7,840,180	\$387,268	4.9%
PPEL	7,503,236	6,547,907	955,329	14.6%
<b>Total</b>	<b>\$15,730,684</b>	<b>\$14,388,087</b>	<b>\$1,342,597</b>	<b>9.3%</b>

Ending balances within the **Capital Projects Funds**, (SAVE and PPEL) increased by \$1.3 million in aggregate. This increase was due to a planned increase in PPEL reserves to accommodate major spending increases in FY2018.

## Cedar Rapids Community School District

### Management's Discussion and Analysis For Fiscal Year Ended June 30, 2016

#### Capital Asset and Debt Administration

##### Capital Assets

As indicated in **Figure A-16**, by the end of 2016, the District had invested, net of depreciation, \$204 million in a broad range of assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. This amount represents a negligible increase of 0.1% over the previous year. The District saw increases in Land and Buildings with a significant decrease in Construction in Progress, which was related to the completion of the Washington High School Geothermal HVAC and window wall replacement project with a project budget of \$30 million.

<b>Figure A-16</b>							
<b>Capital Assets (net of depreciation, in millions of dollars)</b>							
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total School District</b>		<b>Total Percentage Change</b>
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015-2016</b>
Land	\$ 9.9	\$ 13.2	\$ -	\$ -	\$ 9.9	\$ 13.2	33.1%
Construction in progress	53.2	0.6	-	-	53.2	0.6	-98.9%
Buildings	134.7	183.8	-	-	134.7	183.8	36.4%
Equipment	2.0	1.9	1.0	1.0	3.0	2.9	-1.6%
Vehicles	2.9	3.4	-	-	2.9	3.4	20.6%
	<b>\$ 202.7</b>	<b>\$ 203.0</b>	<b>\$ 1.0</b>	<b>\$ 1.0</b>	<b>\$203.7</b>	<b>\$204.0</b>	<b>0.1%</b>

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 \$140 million, now totaling \$204 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 \$380.9 million in anticipated SAVE revenues through December 31, 2029, the District has already expended and committed \$276.7 million for the purchase of technology equipment, property leases, software and improvements of District infrastructure as well as \$40 million to property tax relief. 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 \$122.2 million in long debt outstanding compared to \$125.9 million in the previous fiscal year. This represents a decrease of 3% 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, 2016

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. On May 1, 2016, due to lower interest rates, the District once again issued G.O. refunding bonds in the amount of \$13.9 million to refund the May 1, 2016 G.O. refunding issuance.

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 bonds 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 bonds 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, 2016 the District did not exceed its 5% legal debt margin. The District had \$122.2 million in debt applicable to the 5% statutory limit compared to a debt limit of \$427.3 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.

<b>Figure A-17</b>			
<b>Outstanding Long-Term Bonds Payable (in millions of dollars)</b>			
	<b>Total</b>		<b>Total</b>
	<b>School District</b>		<b>Percentage</b>
	<b>2015</b>	<b>2016</b>	<b>Change</b>
			<b>2015-2016</b>
School refunding bonds	\$ 18,180,000	\$ 13,935,000	-23.3%
SAVE Revenue Bonds	95,603,000	94,723,000	-0.9%
QSCB	11,842,461	11,842,461	-
Bond Premium	320,991	1,697,790	428.9%
<b>Total</b>	<b>\$125,946,452</b>	<b>\$122,198,251</b>	<b>-3.0%</b>

#### Economic Factors and Next Year's Budgets and Rates

- On April 20, 2016 Moody's affirmed the Aa3 rating on Cedar Rapids Community School District's GO refunding Bonds, Series 2016. According to Moody's, The Aa3 rating reflects the district's marked improvement in its reserve position that is expected continue over the term; sizeable tax base with average socioeconomic profile in eastern Iowa (Aaa stable); a manageable debt burden with significant future capital needs; and moderate pension liabilities
- On September 12, 2016, the Board of Education approved a contract with RSP & Associates to provide professional services in facilitating the District's renewal of its Facilities Master Plan, entitled Reimagine, Re-envision, and Reinvest. A Committee of approximately one hundred volunteers will meet approximately a dozen times over the next 14 months, beginning September 20, 2016 to renew the plan. The renewed District Facilities Plan will ultimately be submitted to the Board of Education for consideration on September 25, 2017, with the consideration for final Board adoption planned for October 23, 2017. Numerous funding possibilities exist all with budgetary effect.
- FY2017 compensation increases for all District staff average 3.5% compared to State Supplemental Aid (SSA) growth of 2.25% exerting additional pressure upon the General Fund budget. Contracts for all employee groups will expire at the end of FY2017. Negotiations to settle FY2018 contracts closer to SSA growth rates will be key. Over eighty percent of the General Fund Budget is comprised of wage and benefit commitments.

#### 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, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 62,576,133	\$ 4,019,293	\$ 66,595,426
Receivables:			
Taxes:			
Current year	482,665	-	482,665
Succeeding year	84,476,004	-	84,476,004
Other	317,306	253,640	570,946
Due from other governments	8,071,680	168,852	8,240,532
Internal balances	1,254,834	(1,254,834)	-
Inventories	255,105	100,557	355,662
Prepaid items	37,081	-	37,081
<b>Total current assets</b>	<b>157,470,808</b>	<b>3,287,508</b>	<b>160,758,316</b>
Noncurrent assets:			
Restricted cash and investments	12,786,995	-	12,786,995
Capital assets:			
Land and construction in progress	13,781,411	-	13,781,411
Depreciable assets	267,695,900	3,563,664	271,259,564
Less accumulated depreciation	(78,549,965)	(2,568,572)	(81,118,537)
Net capital assets	202,927,346	995,092	203,922,438
<b>Total noncurrent assets</b>	<b>215,714,341</b>	<b>995,092</b>	<b>216,709,433</b>
<b>Total assets</b>	<b>373,185,149</b>	<b>4,282,600</b>	<b>377,467,749</b>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	28,697,403	1,395,108	30,092,511
Deferred amount on refunding	3,495,631	-	3,495,631
<b>Total deferred outflows of resources</b>	<b>32,193,034</b>	<b>1,395,108</b>	<b>33,588,142</b>

See notes to basic financial statements.

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	2,299,505	18,177	2,317,682
Accrued expenses, primarily salaries and benefits payable	17,691,995	375,694	18,067,689
Due to other governments	2,054,506	8,432	2,062,938
Accrued interest payable	2,183,699	-	2,183,699
Unearned revenue	347,893	188,225	536,118
Current portion of long-term obligations	7,725,174	-	7,725,174
<b>Total current liabilities</b>	<b>32,302,772</b>	<b>590,528</b>	<b>32,893,300</b>
Noncurrent liabilities,			
noncurrent portion of long-term obligations	218,422,235	4,384,321	222,806,556
<b>Total liabilities</b>	<b>250,725,007</b>	<b>4,974,849</b>	<b>255,699,856</b>
<b>Deferred Inflows of Resources</b>			
Property taxes	77,601,185	-	77,601,185
Income surtaxes	6,874,819	-	6,874,819
Pension related amounts	23,776,650	1,155,888	24,932,538
<b>Total deferred inflows of resources</b>	<b>108,252,654</b>	<b>1,155,888</b>	<b>109,408,542</b>
<b>Net Position</b>			
Net investment in capital assets	92,629,054	995,092	93,624,146
Restricted for:			
Categorical funding	3,821,002	-	3,821,002
Debt service	2,030,589	-	2,030,589
Student activities	1,251,728	-	1,251,728
Physical plant and equipment	7,503,236	-	7,503,236
School infrastructure	7,270,166	-	7,270,166
Unrestricted	(68,105,253)	(1,448,121)	(69,553,374)
<b>Total net position (deficit)</b>	<b>\$ 46,400,522</b>	<b>\$ (453,029)</b>	<b>\$ 45,947,493</b>



# Cedar Rapids Community School District

## Statement of Activities Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction:				
Regular instruction	\$ 71,485,585	\$ 2,715,475	\$ 11,530,045	\$ 68,827
Special instruction	37,972,782	2,237,716	3,660,000	-
Vocational instruction	1,311,983	31,013	226,695	-
Other instruction	21,698,300	4,301,614	8,358,888	-
Total instruction	132,468,650	9,285,818	23,775,628	68,827
Support services:				
Student services	5,395,080	-	-	-
Instructional staff services	14,754,665	625,206	-	-
General administration services	7,138,446	-	-	-
School administration services	13,590,131	-	-	-
Business services	5,445,535	156,783	-	-
Operations and maintenance	20,519,028	-	-	-
Student transportation	8,373,789	103,735	9,975	-
Other support services, AEA flowthrough	7,319,340	-	7,319,340	-
Total support services	82,536,014	885,724	7,329,315	-
Noninstructional programs:				
Food services	217,375	-	-	-
Community services	33,500	634,464	-	-
Total noninstructional programs	250,875	634,464	-	-
Interest and issuance costs on long-term debt	5,794,832	-	576,797	-
Total governmental activities	221,050,371	10,806,006	31,681,740	68,827
Business-type activities				
Noninstructional programs:				
Daycare services	4,239,714	4,348,568	128,635	-
Nutrition services	7,519,757	3,107,167	5,315,410	-
Total business-type activities	11,759,471	7,455,735	5,444,045	-
Total school district	\$ 232,809,842	\$ 18,261,741	\$ 37,125,785	\$ 68,827

### 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 (deficit), beginning

Net position (deficit), ending

See notes to basic financial statements.

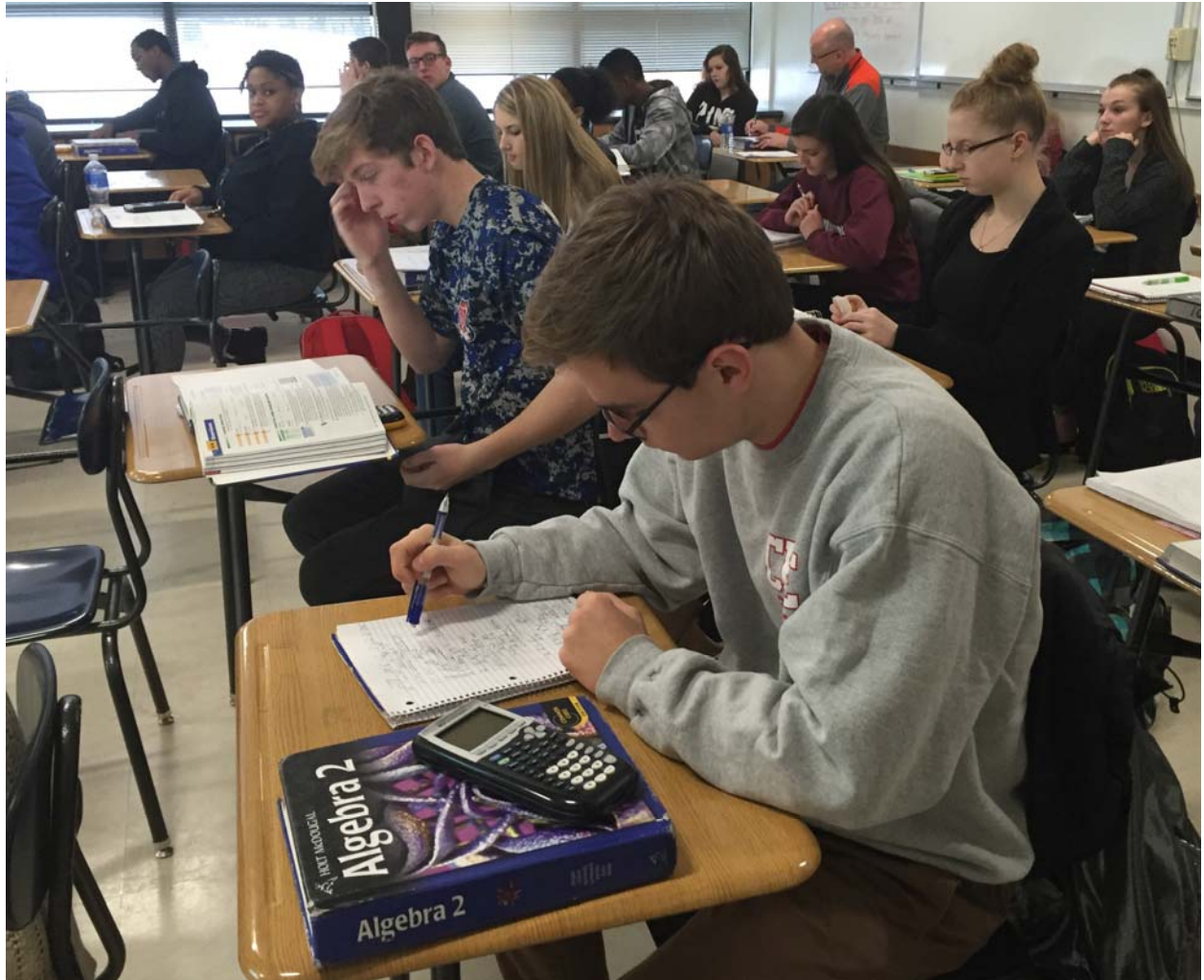
Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (57,171,238)	\$ -	\$ (57,171,238)
(32,075,066)	-	(32,075,066)
(1,054,275)	-	(1,054,275)
(9,037,798)	-	(9,037,798)
(99,338,377)	-	(99,338,377)
(5,395,080)	-	(5,395,080)
(14,129,459)	-	(14,129,459)
(7,138,446)	-	(7,138,446)
(13,590,131)	-	(13,590,131)
(5,288,752)	-	(5,288,752)
(20,519,028)	-	(20,519,028)
(8,260,079)	-	(8,260,079)
-	-	-
(74,320,975)	-	(74,320,975)
(217,375)	-	(217,375)
600,964	-	600,964
383,589	-	383,589
(5,218,035)	-	(5,218,035)
(178,493,798)	-	(178,493,798)
-	237,489	237,489
-	902,820	902,820
-	1,140,309	1,140,309
(178,493,798)	1,140,309	(177,353,489)
69,041,172	-	69,041,172
8,174,031	-	8,174,031
16,132,575	-	16,132,575
7,168,294	-	7,168,294
88,098,463	-	88,098,463
154,326	2,337	156,663
4,688,109	72,523	4,760,632
229,722	(229,722)	-
193,686,692	(154,862)	193,531,830
15,192,894	985,447	16,178,341
31,207,628	(1,438,476)	29,769,152
\$ 46,400,522	\$ (453,029)	\$ 45,947,493



## **Fund Financial Statements**









# Cedar Rapids Community School District

## Balance Sheet Governmental Funds June 30, 2016

	General	Secure an Advanced Vision for Education
<b>Assets</b>		
Cash and cash equivalents	\$ 38,965,873	\$ 5,896,151
Receivables:		
Taxes:		
Current year	395,186	-
Succeeding year	68,300,306	-
Other	281,300	-
Due from other governments	4,543,165	3,527,454
Due from other funds	2,066,875	333,630
Inventories-supplies and materials	255,105	-
Restricted cash and investments	-	-
Prepaid items	37,081	-
<b>Total assets</b>	<b>\$ 114,844,891</b>	<b>\$ 9,757,235</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 837,352	\$ 214,980
Accrued expenditures, primarily salaries and benefits payable	17,695,595	-
Due to other governments	2,049,022	-
Due to other funds	232,231	426,893
Unearned revenue	58,718	-
<b>Total liabilities</b>	<b>20,872,918</b>	<b>641,873</b>
Deferred inflows of resources:		
Unavailable revenue - property taxes	61,425,487	-
Unavailable revenue - income surtaxes	6,874,819	-
Unavailable revenue - intergovernmental	25,674	887,914
<b>Total deferred inflows of resources</b>	<b>68,325,980</b>	<b>887,914</b>
Fund balances:		
Nonspendable	292,186	-
Restricted	3,821,002	6,403,864
Assigned	-	1,823,584
Unassigned	21,532,805	-
<b>Total fund balances</b>	<b>25,645,993</b>	<b>8,227,448</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 114,844,891</b>	<b>\$ 9,757,235</b>

See notes to basic financial statements.

Physical Plant and Equipment Levy	Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,864,368	\$ 8,849,741	\$ 62,576,133
56,322	31,157	482,665
8,570,716	7,604,982	84,476,004
26,880	9,126	317,306
545	516	8,071,680
-	-	2,400,505
-	-	255,105
-	12,786,995	12,786,995
-	-	37,081
<u>\$ 17,518,831</u>	<u>\$ 29,282,517</u>	<u>\$ 171,403,474</u>

\$ 1,041,806	\$ 205,367	\$ 2,299,505
-	2,992,214	20,687,809
-	5,484	2,054,506
403,073	83,474	1,145,671
-	289,175	347,893
<u>1,444,879</u>	<u>3,575,714</u>	<u>26,535,384</u>

8,570,716	7,604,982	77,601,185
-	-	6,874,819
-	-	913,588

<u>8,570,716</u>	<u>7,604,982</u>	<u>85,389,592</u>
------------------	------------------	-------------------

-	-	292,186
7,503,236	18,101,821	35,829,923
-	-	1,823,584
-	-	21,532,805
<u>7,503,236</u>	<u>18,101,821</u>	<u>59,478,498</u>

<u>\$ 17,518,831</u>	<u>\$ 29,282,517</u>	<u>\$ 171,403,474</u>
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## Cedar Rapids Community School District

### Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2016

Total governmental fund balances		\$	59,478,498
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	\$	281,477,311	
Accumulated depreciation		<u>(78,549,965)</u>	202,927,346
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.			913,588
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		28,697,403	
Deferred inflows of resources		<u>(23,776,650)</u>	4,920,753
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		(120,500,461)	
Bond premiums		(1,697,790)	
Accrued interest on long-term debt		(2,183,699)	
Deferred amount on refunding		3,495,631	
Net pension liability		(90,185,555)	
Other postemployment benefits		(4,903,747)	
Compensated absences (vacations)		(860,360)	
Early retirement payable		<u>(5,003,682)</u>	(221,839,663)
<b>Net position of governmental activities</b>			<u><u>\$ 46,400,522</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, 2016

	General	Secure an Advanced Vision for Education
Revenues:		
Local sources:		
Local taxes	\$ 70,824,111	\$ -
Tuition	4,685,211	-
Other local sources	3,946,647	240,132
State sources	111,900,701	16,080,075
Federal sources	9,125,495	167,113
<b>Total revenues</b>	<b>200,482,165</b>	<b>16,487,320</b>
Expenditures:		
Current:		
Instruction:		
Regular instruction	74,864,410	2,055,560
Special instruction	30,649,874	-
Vocational instruction	1,338,727	-
Other instruction	18,107,094	-
<b>Total instruction</b>	<b>124,960,105</b>	<b>2,055,560</b>
Support services:		
Student services	5,503,668	-
Instruction staff services	14,315,160	575,752
General administration services	3,763,421	-
School administration services	12,789,691	126,992
Business services	5,227,775	395,049
Operations and maintenance	14,431,557	-
Student transportation	5,833,771	-
Other support services, AEA flowthrough	7,319,340	-
<b>Total support services</b>	<b>69,184,383</b>	<b>1,097,793</b>
Noninstructional programs:		
Food service	-	-
Community services	-	-
<b>Total noninstructional programs</b>	<b>-</b>	<b>-</b>
Debt service:		
Principal	-	-
Interest	-	-
Bond issuance costs	-	-
Capital outlay, facilities acquisition	-	4,392,571
<b>Total expenditures</b>	<b>194,144,488</b>	<b>7,545,924</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>6,337,677</b>	<b>8,941,396</b>
Other financing sources (uses):		
Issuance of bonds	-	-
Bond premium	-	-
Proceeds on disposal of capital assets	-	176
Payment to refunded bonds escrow agent	-	-
Transfers in	2,546,164	9,765
Transfers out	(281,416)	(8,564,069)
<b>Total other financing sources (uses)</b>	<b>2,264,748</b>	<b>(8,554,128)</b>
Net change in fund balances	8,602,425	387,268
Fund balances at beginning of year	17,043,568	7,840,180
Fund balances at end of year	\$ 25,645,993	\$ 8,227,448

See notes to basic financial statements.

Physical Plant and Equipment Levy	Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,550,133	\$ 5,009,253	\$ 84,383,497
-	-	4,685,211
226,157	4,271,896	8,684,832
293,439	185,473	128,459,688
-	576,797	9,869,405
9,069,729	10,043,419	236,082,633
-	3,592,121	80,512,091
-	-	30,649,874
-	-	1,338,727
-	4,034,878	22,141,972
-	7,626,999	134,642,664
-	-	5,503,668
-	69,563	14,960,475
-	200,463	3,963,884
-	552,886	13,469,569
116,454	214,321	5,953,599
91,228	1,924,887	16,447,672
1,309,170	612,819	7,755,760
-	-	7,319,340
1,516,852	3,574,939	75,373,967
-	217,375	217,375
-	33,500	33,500
-	250,875	250,875
-	3,710,000	3,710,000
-	5,549,533	5,549,533
-	118,828	118,828
5,084,548	-	9,477,119
6,601,400	20,831,174	229,122,986
2,468,329	(10,787,755)	6,959,647
-	13,935,000	13,935,000
-	1,535,560	1,535,560
2,501	-	2,677
-	(15,350,000)	(15,350,000)
387,302	8,162,008	11,105,239
(1,902,802)	(127,230)	(10,875,517)
(1,512,999)	8,155,338	352,959
955,330	(2,632,417)	7,312,606
6,547,906	20,734,238	52,165,892
\$ 7,503,236	\$ 18,101,821	\$ 59,478,498



## 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, 2016

Net change in fund balances, governmental funds	\$	7,312,606
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	\$	6,201,764
Depreciation expense		(5,932,005)
		269,759
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		(2,677)
Loss on disposal of capital assets		(17,364)
		(20,041)
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 more than the prior year amount by \$275,802, and vacation earned was less than the prior year amount by \$111,431.		(164,371)
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.		(69,090)
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		(13,935,000)
Bond premium		(1,535,560)
Repayment of long-term liabilities		3,710,000
Payment to escrow agent, including \$349,563 deferred amount on refunding		15,000,437
Amortization of premiums		158,761
		3,398,638
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.		11,910,405
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		(7,182,382)
Increase in other postemployment benefits		(326,961)
		(7,509,343)
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.		64,331
<b>Change in net position - governmental activities</b>	<b>\$</b>	<b>15,192,894</b>

See notes to basic financial statements.

**Cedar Rapids Community School District**

**Statement of Net Position  
Proprietary Funds  
June 30, 2016**

	Business-Type Activities
	Total Nonmajor Proprietary Funds
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 4,019,293
Other receivables	253,640
Due from other governments	168,852
Due from other funds	221,192
Inventories - supplies and materials	100,557
<b>Total current assets</b>	<b>4,763,534</b>
Noncurrent assets, furniture and equipment, net	995,092
<b>Total assets</b>	<b>5,758,626</b>
<b>Deferred outflow of resources</b>	
Pension related amounts	1,395,108
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	18,177
Accrued expenses	375,694
Due to other governments	8,432
Due to other funds	1,476,026
Unearned revenue	188,225
<b>Total current liabilities</b>	<b>2,066,554</b>
Noncurrent liability, net pension liability	4,384,321
<b>Total liabilities</b>	<b>6,450,875</b>
<b>Deferred inflow of resources</b>	
Pension related amounts	1,155,888
<b>Net Position (Deficit)</b>	
Investment in capital assets	995,092
Unrestricted deficit	(1,448,121)
<b>Total net position (deficit)</b>	<b>\$ (453,029)</b>

See notes to basic financial statements.

**Cedar Rapids Community School District**

**Statement of Revenues, Expenses and Changes in Net Position (Deficit)  
Proprietary Funds  
Year Ended June 30, 2016**

	Business-Type Activities
	Total Nonmajor Proprietary Funds
Operating revenues:	
Charges for services	\$ 7,455,735
Other	72,523
<b>Total operating revenues</b>	<b>7,528,258</b>
Operating expenses:	
Payroll costs	7,146,518
Purchased services	121,867
Supplies and materials	4,391,290
Depreciation	98,845
<b>Total operating expenses</b>	<b>11,758,520</b>
<b>Operating income (loss)</b>	<b>(4,230,262)</b>
Nonoperating revenues (expenses):	
State sources	63,821
Federal sources	5,380,224
Loss on disposal of capital assets	(951)
Interest income	2,337
<b>Total nonoperating revenues</b>	<b>5,445,431</b>
<b>Income before transfers</b>	<b>1,215,169</b>
Transfers in	281,414
Transfers out	(511,136)
	<b>(229,722)</b>
Change in net position	985,447
Net position (deficit), beginning of year	(1,438,476)
Net position (deficit), end of year	<b>\$ (453,029)</b>

See notes to basic financial statements.

# Cedar Rapids Community School District

## Statement of Cash Flows Proprietary Funds Year Ended June 30, 2016

	Business-Type Activities
	Total Nonmajor Proprietary Funds
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 2,712,154
Cash received from services	4,793,169
Cash received from miscellaneous operating activities	72,523
Cash payments to employees for services	(7,437,226)
Cash payments to suppliers for good and services	(3,960,253)
<b>Net cash used in operating activities</b>	<b>(3,819,633)</b>
Cash flows from noncapital financing activities:	
State lunch and breakfast reimbursements	63,821
Federal lunch and breakfast reimbursements	4,836,824
Transfers from other funds	281,414
Transfers to other funds	(511,136)
Proceeds from interfund accounts	368,393
Payments to interfund accounts	(202,841)
<b>Net cash provided by noncapital financing activities</b>	<b>4,836,475</b>
Cash flows from capital and related financing activities, acquisition of capital assets	(60,690)
Cash flows from investing activities, interest	2,522
<b>Net increase in cash and cash equivalents</b>	<b>958,674</b>
Cash and cash equivalents:	
Beginning	3,060,619
Ending	<u><u>\$ 4,019,293</u></u>
Reconciliation of operating (loss) to net cash used in operating activities:	
Operating (loss)	\$ (4,230,262)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:	
Depreciation expense	98,845
Commodities consumed	609,351
Changes in assets and liabilities:	
Decrease in receivables, net	23,784
(Increase) in inventories	(30,349)
(Decrease) in accounts payable and accrued expenses	(3,825)
Increase in net pension liability	706,918
(Increase) in deferred outflows of resources	(640,105)
(Decrease) in deferred inflows of resources	(379,794)
Increase in unearned revenues	25,804
<b>Net cash used in operating activities</b>	<b><u><u>\$ (3,819,633)</u></u></b>
Noncash items, noncapital financing activities, federal commodities	<u><u>\$ 609,351</u></u>

See notes to basic financial statements.



## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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#### **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 16,939. 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, 2016

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#### **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.

**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.

**Physical Plant and Equipment Levy Fund** is a capital projects fund that 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.

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.

**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.

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.

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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

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.

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.

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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

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, 2015 through June 30, 2016 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2015.

The income surtax receivable represents the fiscal year 2016 levy which will be collected by the District in fiscal year 2017. Although the income surtax receivable has been recorded as of June 30, 2016, 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, 2017, 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, 2016, 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.

**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 acquisition 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.

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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

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 pension 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 price.

**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, 2016, has also been accrued as a liability.

**Compensated absences:** District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental 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, pension 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.

**Cedar Rapids Community School District**

**Notes to Basic Financial Statements  
June 30, 2016**

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

**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 unrecognized pension related amounts as a deferred inflow.

**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.

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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

*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 \$8,404,328 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 \$7,270,166 for capital projects from the Secure an Advanced Vision for Education fund, \$7,503,236 for the physical plant and equipment levy, \$3,821,002 for categorized funding and \$2,030,589 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 schedule is based on the program structure of functional areas as required by State statute for its legally adopted budget.

**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.

#### **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, 2016, the District held \$325,668 in United States Treasury Notes maturing on July 1, 2016 and \$3,760,398 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.



## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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#### Note 2. Deposits and Investments (Continued)

**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 investments were not exposed to custodial credit risk as the investments were not insured but are held by the District's Agent in the District's name.

The District's deposits in banks at June 30, 2016 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.

**Fair value:** The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is 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. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2016:

- U.S. Treasury securities of \$4,086,066 are valued using quoted market prices (Level 1 inputs).

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

Depository accounts	\$ 75,296,355
U.S. Treasury Notes	4,086,066
	<u>\$ 79,382,421</u>
Cash and cash equivalents	\$ 66,595,426
Restricted cash and investments	12,786,995
	<u>\$ 79,382,421</u>

**Cedar Rapids Community School District**

**Notes to Basic Financial Statements  
June 30, 2016**

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**Note 3. Interfund Receivables and Payables**

As of June 30, 2016, interfund receivables and payables were as follows:

	Receivables	Payables
General Fund	\$ 2,066,875	\$ 232,231
Secure an Advanced Vision for Education Fund	333,630	426,893
Physical Plant and Equipment Levy Fund	-	403,073
Nonmajor governmental funds	-	83,474
Total governmental funds	2,400,505	1,145,671
Nonmajor enterprise, proprietary funds	221,192	1,476,026
Total all funds	<u>\$ 2,621,697</u>	<u>\$ 2,621,697</u>

Interfund balances results from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

**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	\$ 2,546,164	\$ 281,416
Secure an Advanced Vision for Education Fund	9,765	8,564,069
Physical Plant and Equipment Levy Fund	387,302	1,902,802
Nonmajor funds, governmental funds	8,162,008	127,230
Nonmajor enterprise funds	281,414	511,136
	<u>\$ 11,386,653</u>	<u>\$ 11,386,653</u>

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, 2016

### Note 5. Capital Assets

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

Governmental Activities	Balance June 30, 2015	Additions	Retirements and Transfers	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 9,915,750	\$ 3,265,430	\$ -	\$ 13,181,180
Construction-in-progress	53,220,537	4,404,713	57,025,019	600,231
Total capital assets, not being depreciated	63,136,287	7,670,143	57,025,019	13,781,411
Capital assets, being depreciated:				
Buildings and improvements	189,758,314	53,774,524	-	243,532,838
Furniture and equipment	12,998,821	340,568	143,246	13,196,143
Vehicles	10,399,777	1,441,548	874,406	10,966,919
Total capital assets, being depreciated	213,156,912	55,556,640	1,017,652	267,695,900
Less accumulated depreciation for:				
Buildings and improvements	55,032,610	4,680,441	-	59,713,051
Furniture and equipment	11,038,685	369,379	123,205	11,284,859
Vehicles	7,544,276	882,185	874,406	7,552,055
Total accumulated depreciation	73,615,571	5,932,005	997,611	78,549,965
Total capital assets, being depreciated, net	139,541,341	49,624,635	20,041	189,145,935
Governmental activities capital assets, net	\$ 202,677,628	\$ 57,294,778	\$ 57,045,060	\$ 202,927,346
Business-Type Activities	Balance June 30, 2015	Additions	Retirements and Transfers	Balance June 30, 2016
Capital assets, being depreciated, furniture and equipment	\$ 3,520,786	\$ 60,690	\$ 17,812	\$ 3,563,664
Less accumulated depreciation	2,486,588	98,845	16,861	2,568,572
Business-type activities capital assets, net	\$ 1,034,198	\$ (38,155)	\$ 951	\$ 995,092

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 286,501
School administration services	231,645
Operations and maintenance	4,634,893
Student transportation	778,966
Total	<u>\$ 5,932,005</u>

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

Nutrition services	<u>\$ 98,845</u>
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## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

#### Note 6. Bonded and Other Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2016 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds payable:					
Revenue bonds	\$ 107,445,461	\$ -	\$ (880,000)	\$ 106,565,461	\$ 1,014,000
School refunding G.O. bonds	18,180,000	13,935,000	(18,180,000)	13,935,000	2,855,000
Premiums	320,991	1,535,560	(158,761)	1,697,790	-
Total bonds payable	125,946,452	15,470,560	(19,218,761)	122,198,251	3,869,000
Other liabilities:					
Compensated absences	971,791	1,598,358	(1,709,789)	860,360	860,360
Other postemployment benefits	4,576,786	1,671,775	(1,344,814)	4,903,747	-
Early retirement payable - health	4,125,906	3,156,625	(4,125,906)	3,156,625	841,200
Early retirement payable - TSA	3,320,328	4,842,871	(3,320,328)	4,842,871	2,154,614
Net pension liability	74,233,692	15,951,863	-	90,185,555	-
Total long-term liabilities	\$ 213,174,955	\$ 42,692,052	\$ (29,719,598)	\$ 226,147,409	\$ 7,725,174
<b>Business-Type Activities,</b>					
net pension liability	\$ 3,677,403	\$ 706,918	\$ -	\$ 4,384,321	\$ -

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 with an additional payment for wellness days accrued paid at per diem, up to a maximum of 80 days for certified employees.

Administrators will be allowed benefits upon submission of a written resignation accepted by the Board of Directors by February 1 of the current contract year. The early retirement incentive for each eligible administrative employee is equal to an amount representing a range of 143 to 260 days' pay. The number of days is tiered based on date of hire. 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 wellness days paid at per diem, up to a maximum of 80 days for administrators.

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 November of the same year following early separation. Administrator receive the accumulated days' salary in equal annual installments spread out over four years beginning in November of the same year following early separation.

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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

Early retirement benefits paid during the year ended June 30, 2016 totaled \$7,446,234, all of which was paid by the Management Fund. 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 \$837,600 and \$3,600, 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 \$2,154,614. 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 held 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. These bonds were refunded in 2016 and the outstanding principal balance on \$18,180,000 was replaced with a new set of general obligation bonds issued on May 1, 2016. The new principal amount issued and outstanding as of year-end is \$13,935,000 with an annual interest rate of 4.125 percent, and maturing on June 1, 2021. Those proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2006 bonds. The net change was a decrease in future cash flows related to the advance refunding of \$1,296,052 and an economic gain on the refunding of \$1,244,585. As a result, the 2006 bonds are considered defeased and the liability has been removed from the government-wide statement of net position. Details of the District's June 30, 2016 bonded indebtedness are as follows:

Year Ending June 30:	Principal	Interest	Total
2017	\$ 2,855,000	\$ 673,409	\$ 3,528,409
2018	2,800,000	554,000	3,354,000
2019	2,980,000	414,000	3,394,000
2020	3,100,000	265,000	3,365,000
2021	2,200,000	110,000	2,310,000
	<u>\$ 13,935,000</u>	<u>\$ 2,016,409</u>	<u>\$ 15,951,409</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.

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.

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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

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.

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 \$141,670,731. For fiscal year 2016, the total principal and interest paid and total net revenues were \$4,483,336 and \$16,080,075, respectively.

	Principal	Interest	Total
Year Ending June 30:			
2017	\$ 1,014,000	\$ 3,471,584	\$ 4,485,584
2018	5,540,000	3,414,404	8,954,404
2019	5,564,000	3,323,328	8,887,328
2020	7,426,000	3,227,937	10,653,937
2021	7,549,000	3,053,454	10,602,454
2022 - 2026	37,630,000	12,528,839	50,158,839
2027 - 2030	41,842,461	6,085,724	47,928,185
	<u>\$ 106,565,461</u>	<u>\$ 35,105,270</u>	<u>\$ 141,670,731</u>

As of June 30, 2015, the District held \$4,382,667 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.

**Prior year defeasance of debt.** The District defeased general obligation school refunding bonds and school infrastructure sales, service and use tax, revenue bonds by placing the proceeds of new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As of June 30, 2016, the amount to be called by the escrow account is \$72,064,852.

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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

As of June 30, 2016 the District did not exceed its legal debt limit of \$427,060,036.

The District has a line of credit with Bank of the West. During fiscal year ended June 30, 2016, the District paid \$3,974 in interest. Following is the activity for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance
Anticipation warrants	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -

#### 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](http://www.ipers.org).

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

**Pension benefits:** A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the 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, 2016

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#### 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 2016, 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, 2016 were \$11,910,405.

**Net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:** At June 30, 2016, the District reported a liability of \$94,569,876 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015, the District's collective proportion was 1.914183 percent, which was a decrease of 0.050339 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$5,041,145. At June 30, 2016, 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	\$ 1,428,832	\$ -
Changes of assumptions	2,603,746	-
Net difference between projected and actual earnings on pension plan investments	14,149,528	(22,020,220)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(2,912,318)
District contributions subsequent to the measurement date	11,910,405	-
Total	<u>\$ 30,092,511</u>	<u>\$ (24,932,538)</u>

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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#### Note 7. Pension and Retirement Benefits (Continued)

\$11,910,405 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, 2017. The deferred outflows and deferred inflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized as a reduction of pension expense over five years. The other deferred inflows and outflows will be recognized in pension expense using the average expected remaining service lives of all IPERS members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the Plan including retirees. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30,	
2017	\$ (3,463,841)
2018	(3,463,841)
2019	(3,463,841)
2020	3,638,747
2021	2,344
Total	<u>\$ (6,750,432)</u>

**Actuarial assumptions:** The total pension liability in the June 30, 2015 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

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.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

# Cedar Rapids Community School District

## Notes to Basic Financial Statements June 30, 2016

### 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	24%	6.29%
Non U.S. equity	16	6.75
Private equity	11	11.32
Real estate	8	3.48
Core plus fixed income	28	2.04
Credit opportunities	5	3.63
TIPS	5	1.91
Other real assets	2	6.24
Cash	1	(0.71)
	<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	\$ 165,574,840	\$ 94,569,876	\$ 34,636,593

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

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#### 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](http://www.ipers.org).

**Payables to the pension plan:** At June 30, 2016, the District reported payables to the defined benefit pension plan of \$972,684 for legally required employer contributions and \$648,093 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 217 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 33<sup>rd</sup> 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	\$ 553	\$ 1,130	\$ 1,051	\$ 1,692
PPO choice	504	1,029	957	1,541
HMO essential	411	841	782	1,259
HMO basic	305	623	579	932
Custodial Rates:				
PPO premier	\$ 514	\$ 1,051	\$ 977	\$ 1,574
PPO choice	469	957	890	1,433
HMO essential	382	782	727	1,171
HMO basic	284	579	538	867

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 \$1,344,814, net of retiree premiums paid to the District in 2016.

## Cedar Rapids Community School District

### Notes to Basic Financial Statements June 30, 2016

#### 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 2016 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, 2014	\$ 2,225,942	85.6	\$ 4,280,992
June 30, 2015	1,802,414	83.6	4,576,786
June 30, 2016	1,671,775	80.4	4,903,747

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	\$ 2,210,164
Interest on net OPEB obligation	183,071
Adjustment to annual required contribution	(721,460)
Annual OPEB cost (expense)	<u>1,671,775</u>
Contributions	<u>(1,344,814)</u>
Increase in net OPEB obligation	326,961
Net OPEB obligation, beginning of year	<u>4,576,786</u>
Net OPEB obligation, end of year	<u><u>\$ 4,903,747</u></u>

**Funded status and funding progress:** The results of the July 1, 2015 valuation were rolled forward to June 30, 2016. The funded status of the plan as of June 30, 2016, was as follows:

Actuarial accrued liability (AAL)	\$ 11,535,917
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 11,535,917</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 135,538,471
UAAL as a percentage of covered payroll	8.51%

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, 2016**

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#### **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, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4 percent interest/discount rate, and an annual health care cost trend rate of 6 percent per year. 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, 2016 for the Physical Plant and Equipment Levy Fund was \$365,126, and for the Secure an Advanced Vision for Education Fund was \$1,626,698.

The District had encumbrances in the General Fund, Secure an Advanced Vision for Education Fund and Nonmajor Governmental Funds of \$648,649, \$1,079,669 and \$3,741,421, 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 \$7,319,340 for the year ended June 30, 2016. 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, 2016**

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#### **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, 2016 the District, an active member of MIIP, has a negative equity balance with MIIP of approximately \$5 million. The District's contribution to the program for the year ended June 30, 2016 was \$10,360,340. 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 33<sup>rd</sup> 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, 2016

#### 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.

Fund balances:	General	Secure An Advanced Vision for Education	Physical Plant and Equipment Levy	Nonmajor Governmental	Total
Nonspendable:					
Inventories	\$ 255,105	\$ -	\$ -	\$ -	\$ 255,105
Prepays	37,081	-	-	-	37,081
Total nonspendable	292,186	-	-	-	292,186
Restricted:					
Categorical funding	3,821,002	-	-	-	3,821,002
Debt service	-	-	-	12,618,616	12,618,616
Management levy purposes	-	-	-	4,231,477	4,231,477
Student activities	-	-	-	1,251,728	1,251,728
Physical plant and equipment	-	-	7,503,236	-	7,503,236
School infrastructure	-	6,403,864	-	-	6,403,864
Total restricted	3,821,002	6,403,864	7,503,236	18,101,821	35,829,923
Assigned,					
School infrastructure	-	1,823,584	-	-	1,823,584
Unassigned	21,532,805	-	-	-	21,532,805
Total fund balances	\$ 25,645,993	\$ 8,227,448	\$ 7,503,236	\$ 18,101,821	\$ 59,478,498

#### 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. 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.

**Cedar Rapids Community School District**

**Notes to Basic Financial Statements**

**June 30, 2016**

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

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.



8:30-9:05 Breakfast  
9:00-9:10 Community Circle  
9:15-10:10 Reading  
10:15-11:10 Math  
11:10-11:50 Lunch/Bathroom/ Wash hands  
11:50-12:30 Art/ Singing  
12:30-1:10 Enrichment  
1:15-1:25 Community Circle  
1:25-2:00 Reading  
2:30-3:00 Quiet/Free time

## **Required Supplementary Information**





**Cedar Rapids Community School District**

**Required Supplementary Information  
Budgetary Comparison Schedule  
All Governmental Funds and Proprietary Funds  
Year Ended June 30, 2016**

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
Revenues:			
Local sources	\$ 97,753,540	\$ 7,530,595	\$ 105,284,135
State sources	128,459,688	63,821	128,523,509
Federal sources	9,869,405	5,380,224	15,249,629
<b>Total revenues</b>	<b>236,082,633</b>	<b>12,974,640</b>	<b>249,057,273</b>
Expenditures:			
Instruction	134,642,664	4,563	134,647,227
Support services	68,054,627	621,619	68,676,246
Noninstructional programs	250,875	11,132,338	11,383,213
Other expenditures, including AEA flowthrough	26,174,820	951	26,175,771
<b>Total expenditures</b>	<b>229,122,986</b>	<b>11,759,471</b>	<b>240,882,457</b>
<b>Excess of revenues over expenditures</b>	<b>6,959,647</b>	<b>1,215,169</b>	<b>8,174,816</b>
Other financing sources (uses):			
Proceeds from the issuances of bonds	13,935,000	-	13,935,000
Bond premium	1,535,560	-	1,535,560
Sale of capital assets	2,677	-	2,677
Payment to refunded bonds escrow agent	(15,350,000)	-	(15,350,000)
Transfers in	11,105,239	281,414	11,386,653
Transfers out	(10,875,517)	(511,136)	(11,386,653)
<b>Total other financing sources (uses)</b>	<b>352,959</b>	<b>(229,722)</b>	<b>123,237</b>
<b>Net change in fund balances/net position</b>	<b>7,312,606</b>	<b>985,447</b>	<b>8,298,053</b>
Fund balance/net position, beginning	52,165,892	(1,438,476)	50,727,416
Fund balance/net position, ending	<u>\$ 59,478,498</u>	<u>\$ (453,029)</u>	<u>\$ 59,025,469</u>

See note to required supplementary information.



Budget Amounts		Variances Over (Under)	
Original	Final	Original to Final	Final to Actual
\$ 107,250,751	\$ 105,254,755	\$ (1,995,996)	\$ 29,380
130,156,563	126,032,443	(4,124,120)	2,491,066
17,308,579	16,225,250	(1,083,329)	(975,621)
254,715,893	247,512,448	(7,203,445)	1,544,825
133,614,605	148,685,803	(15,071,198)	(14,038,576)
69,360,164	72,738,699	(3,378,535)	(4,062,453)
12,300,648	13,126,298	(825,650)	(1,743,085)
30,864,509	36,073,522	(5,209,013)	(9,897,751)
246,139,926	270,624,322	(24,484,396)	(29,741,865)
8,575,967	(23,111,874)	(31,687,841)	31,286,690
-	-	-	13,935,000
-	-	-	1,535,560
20,000	20,000	-	(17,323)
-	-	-	(15,350,000)
11,711,297	11,738,230	26,933	(351,577)
(11,711,297)	(11,738,230)	(26,933)	351,577
20,000	20,000	-	103,237
8,595,967	(23,091,874)	(31,687,841)	31,389,927
45,033,075	50,727,425	(5,694,350)	9
\$ 53,629,042	\$ 27,635,551	\$ (25,993,491)	\$ 31,389,918

## **Cedar Rapids Community School District**

### **Note to Required Supplementary Information Budgetary Comparison Schedule**

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#### **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 2015-16 Budget document. The 2015-16 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 2015-16, amendments increased the instructional functional area by \$1,554,307, decreased total support services by \$3,234,074, decreased the non-instructional programs by \$367,650 and other expenditures were increased by \$1,929,602 which is a 0.05 percent decrease. 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's 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
2016	\$ 11,910,405	\$ 11,910,405	\$ -	\$ 133,270,715	8.94%
2015	11,710,702	11,710,702	-	131,340,698	8.92
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

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,	
	2015	2014
District's proportion of the net pension liability	1.9141825%	1.9645219%
District's proportionate share of the net pension liability	\$ 94,569,876	\$ 77,911,095
District's covered-employee payroll	131,340,698	128,598,425
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	72.00%	60.58%
Plan fiduciary net position as a percentage of the total pension liability	85.19%	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**

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**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.

## 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, 2014	7/1/2013	\$ -	\$ 13,385,990	\$ 13,385,990	- %	\$ 130,516,081	10.26%
June 30, 2015	7/1/2013	-	13,385,990	13,385,990	-	134,464,693	9.96
<b>June 30, 2016</b>	<b>7/1/2015</b>	-	<b>11,535,917</b>	<b>11,535,917</b>	-	<b>135,538,471</b>	<b>8.51</b>

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2015.

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 and (2) an annual health care cost trend rate of 6 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, 2016**

	Actual
Revenues:	
Local sources:	
Property taxes	\$ 60,636,866
Utility tax replacement excise tax	3,018,951
Income surtax	7,168,294
Tuition	4,685,211
Transportation	103,735
Investment earnings	22,021
Student activities	24,573
Fees and rents	462,514
Sales of services	1,359,670
Other	1,974,134
<b>Total local sources</b>	<b>79,455,969</b>
State sources:	
Foundation aid	80,904,052
Preschool foundation aid	1,650,176
Salary improvement program	9,169,285
AEA flowthrough	7,319,340
Nonpublic aid	780,779
Iowa Early Intervention Block grant	1,182,666
At-risk grants	1,366,455
Miscellaneous state grants	7,179,394
Other	2,348,554
<b>Total state sources</b>	<b>111,900,701</b>
Federal sources:	
Title I grants	3,553,890
Carl Perkins grant	191,099
Title II grants	614,189
Individuals with Disabilities Education Act	910,054
Medicaid direct reimbursement	3,645,852
Other	210,411
<b>Total federal sources</b>	<b>9,125,495</b>
<b>Total revenues</b>	<b>200,482,165</b>

(Continued)

**Cedar Rapids Community School District**

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

**Major Fund - General**

**Year Ended June 30, 2016**

	Actual
Expenditures:	
Instruction:	
Regular instruction:	
Salaries	\$ 53,056,939
Employee benefits	10,944,407
Purchased services	7,878,551
Supplies	2,500,837
Capital outlay	451,912
Other	31,764
	<u>74,864,410</u>
Special instruction:	
Salaries	21,924,359
Employee benefits	4,548,776
Purchased services	3,542,953
Supplies	592,393
Capital outlay	39,041
Other	2,352
	<u>30,649,874</u>
Vocational instruction:	
Salaries	937,626
Employee benefits	198,318
Purchased services	32,415
Supplies	113,963
Capital outlay	47,987
Other	8,418
	<u>1,338,727</u>
Other instruction:	
Salaries	12,919,118
Employee benefits	2,523,156
Purchased services	1,515,645
Supplies	970,484
Capital outlay	146,907
Other	31,784
	<u>18,107,094</u>
<b>Total instruction</b>	<u>124,960,105</u>

(Continued)

**Cedar Rapids Community School District**

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

**Major Fund - General**

**Year Ended June 30, 2016**

	Actual
Support services:	
Student services:	
Salaries	\$ 4,399,357
Employee benefits	895,150
Purchased services	184,549
Supplies	23,037
Capital outlay	-
Other	1,575
	<u>5,503,668</u>
Instruction staff services:	
Salaries	10,243,513
Employee benefits	2,010,248
Purchased services	1,070,642
Supplies	338,766
Capital outlay	651,609
Other	382
	<u>14,315,160</u>
General administration services:	
Salaries	2,424,143
Employee benefits	585,375
Purchased services	630,814
Supplies	75,207
Capital outlay	13,864
Other	34,018
	<u>3,763,421</u>
School administration services:	
Salaries	9,767,899
Employee benefits	2,724,895
Purchased services	147,715
Supplies	100,660
Capital outlay	9,883
Other	38,639
	<u>12,789,691</u>
Business services:	
Salaries	3,272,393
Employee benefits	863,935
Purchased services	645,430
Supplies	403,918
Capital outlay	31,537
Other	10,562
	<u>5,227,775</u>

(Continued)

**Cedar Rapids Community School District**

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

**Major Fund - General**

**Year Ended June 30, 2016**

	Actual
Support services (continued):	
Operations and maintenance:	
Salaries	\$ 6,742,454
Employee benefits	2,445,733
Purchased services	912,073
Supplies	4,304,725
Capital outlay	26,422
Other	150
	<u>14,431,557</u>
Student transportation:	
Salaries	3,504,387
Employee benefits	667,610
Purchased services	845,588
Supplies	808,851
Capital outlay	7,005
Other	330
	<u>5,833,771</u>
<b>Total support services</b>	<u>61,865,043</u>
Other expenditures, AEA flow-through	<u>7,319,340</u>
<b>Total expenditures</b>	<u>194,144,488</u>
<b>Excess of revenues over expenditures</b>	<u>6,337,677</u>
Other financing sources (uses):	
Transfers in	2,546,164
Transfers out	(281,416)
<b>Total other financing sources</b>	<u>2,264,748</u>
<b>Net change in fund balance</b>	8,602,425
Fund balance, beginning of year	<u>17,043,568</u>
Fund balance, end of year	<u><u>\$ 25,645,993</u></u>

## Nonmajor Governmental Funds

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

<b>Student Activity Fund</b>	Accounts for funds raised by student groups. Under state law the Board retains responsibility for the Student Activity Fund's ultimate disposition.
<b>Management Fund</b>	Accounts for resources accumulated and payments made for property insurance, fidelity bonds, worker compensation, liability premiums, unemployment insurance claims and early retirement incentives.
<b>Debt Service Fund</b>	Accounts for the payment of interest and principal on the District's general long term-debt.



**Cedar Rapids Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016**

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Student Activity	Management	Debt Service	
<b>Assets</b>				
Cash and cash equivalents	\$ 1,376,768	\$ 7,334,177	\$ 138,796	\$ 8,849,741
Receivables:				
Taxes:				
Current year	-	31,157	-	31,157
Succeeding year	-	7,604,982	-	7,604,982
Other	200	8,926	-	9,126
Due from other governments	-	516	-	516
Restricted cash	-	-	12,786,995	12,786,995
<b>Total assets</b>	<b>\$ 1,376,968</b>	<b>\$ 14,979,758</b>	<b>\$ 12,925,791</b>	<b>\$ 29,282,517</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 51,622	\$ 135,745	\$ 18,000	\$ 205,367
Accrued expenditures, primarily salaries and benefits payable	-	2,992,214	-	2,992,214
Due to other governments	-	5,484	-	5,484
Due to other funds	73,618	9,856	-	83,474
Unearned revenue	-	-	289,175	289,175
<b>Total liabilities</b>	<b>125,240</b>	<b>3,143,299</b>	<b>307,175</b>	<b>3,575,714</b>
Deferred inflows of resources, unavailable revenue - property taxes	-	7,604,982	-	7,604,982
Fund balances, restricted	1,251,728	4,231,477	12,618,616	18,101,821
<b>Total liabilities, deferred     inflows of resources and     fund balance</b>	<b>\$ 1,376,968</b>	<b>\$ 14,979,758</b>	<b>\$ 12,925,791</b>	<b>\$ 29,282,517</b>



# Cedar Rapids Community School District

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds Year Ended June 30, 2016

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Student Activity	Management	Debt Service	
Revenues:				
Local sources:				
Local taxes	\$ -	\$ 5,009,253	\$ -	\$ 5,009,253
Other local sources	3,952,696	214,047	105,153	4,271,896
State sources	-	185,473	-	185,473
Federal sources	-	-	576,797	576,797
<b>Total revenues</b>	<b>3,952,696</b>	<b>5,408,773</b>	<b>681,950</b>	<b>10,043,419</b>
Expenditures:				
Current:				
Instruction:				
Regular instruction	-	3,592,121	-	3,592,121
Other instruction	4,034,878	-	-	4,034,878
<b>Total instruction</b>	<b>4,034,878</b>	<b>3,592,121</b>	<b>-</b>	<b>7,626,999</b>
Support services:				
Instruction staff services	-	69,563	-	69,563
General administration services	-	200,463	-	200,463
School administration services	-	552,886	-	552,886
Business services	-	214,321	-	214,321
Operations and maintenance	-	1,924,887	-	1,924,887
Student transportation	-	612,819	-	612,819
<b>Total support services</b>	<b>-</b>	<b>3,574,939</b>	<b>-</b>	<b>3,574,939</b>
Noninstructional programs:				
Food service	-	217,375	-	217,375
Community services	-	33,500	-	33,500
<b>Total noninstructional programs</b>	<b>-</b>	<b>250,875</b>	<b>-</b>	<b>250,875</b>
Debt service:				
Principal	-	-	3,710,000	3,710,000
Interest	-	-	5,549,533	5,549,533
Bond issuance costs	-	-	118,828	118,828
<b>Total expenditures</b>	<b>4,034,878</b>	<b>7,417,935</b>	<b>9,378,361</b>	<b>20,831,174</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(82,182)</b>	<b>(2,009,162)</b>	<b>(8,696,411)</b>	<b>(10,787,755)</b>
Other financing sources (uses):				
Proceeds from the issuance of bonds	-	-	13,935,000	13,935,000
Bond premium	-	-	1,535,560	1,535,560
Proceeds on disposal of capital assets	-	-	-	-
Payments to refund bonds escrow agent	-	-	(15,350,000)	(15,350,000)
Transfers in	-	-	8,162,008	8,162,008
Transfers out	-	(117,465)	(9,765)	(127,230)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(117,465)</b>	<b>8,272,803</b>	<b>8,155,338</b>
Net changes in fund balances	(82,182)	(2,126,627)	(423,608)	(2,632,417)
Fund balance, beginning of year	1,333,910	6,358,104	13,042,224	20,734,238
Fund balance, end of year	\$ 1,251,728	\$ 4,231,477	\$ 12,618,616	\$ 18,101,821

## **Nonmajor Proprietary Funds**

**Nutrition Services Fund** is used to account for the food service operations of the District.

**Daycare Services Fund** is used to account for the daycare services of the District.



**Cedar Rapids Community School District**

**Combining Statement of Net Position  
Nonmajor Proprietary Funds  
June 30, 2016**

	Nutrition Services	Daycare Services	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 2,917,758	\$ 1,101,535	\$ 4,019,293
Other receivables	71,474	182,166	253,640
Due from other governments	36,932	131,920	168,852
Due from other funds	26,645	194,547	221,192
Inventories - supplies and materials	100,557	-	100,557
<b>Total current assets</b>	<b>3,153,366</b>	<b>1,610,168</b>	<b>4,763,534</b>
Noncurrent assets, furniture and equipment, net	960,159	34,933	995,092
<b>Total assets</b>	<b>4,113,525</b>	<b>1,645,101</b>	<b>5,758,626</b>
<b>Deferred outflow of resources</b>			
Pension related amounts	704,360	690,748	1,395,108
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	9,048	9,129	18,177
Accrued expenses	8,502	367,192	375,694
Due to other governments	-	8,432	8,432
Due to other funds	1,054,770	421,256	1,476,026
Unearned revenue	188,225	-	188,225
<b>Total current liabilities</b>	<b>1,260,545</b>	<b>806,009</b>	<b>2,066,554</b>
Noncurrent liability, net pension liability	2,213,549	2,170,772	4,384,321
<b>Total liabilities</b>	<b>3,474,094</b>	<b>2,976,781</b>	<b>6,450,875</b>
<b>Deferred inflow of resources</b>			
Pension related amounts	583,583	572,305	1,155,888
<b>Net Position</b>			
Investment in capital assets	960,159	34,933	995,092
Unrestricted	(199,951)	(1,248,170)	(1,448,121)
<b>Total net position</b>	<b>\$ 760,208</b>	<b>\$ (1,213,237)</b>	<b>\$ (453,029)</b>

**Cedar Rapids Community School District**

**Combining Statement of Revenues, Expenses and Changes in Net Position  
Nonmajor Proprietary Funds  
Year Ended June 30, 2016**

	Nutrition Services	Daycare Services	Total
Operating revenues:			
Charges for services	\$ 3,107,167	\$ 4,348,568	\$ 7,455,735
Other	12,153	60,370	72,523
<b>Total operating revenues</b>	<b>3,119,320</b>	<b>4,408,938</b>	<b>7,528,258</b>
Operating expenses:			
Payroll costs	3,661,394	3,485,124	7,146,518
Purchased services	16,381	105,486	121,867
Supplies and materials	3,742,186	649,104	4,391,290
Depreciation	98,845	-	98,845
<b>Total operating expenses</b>	<b>7,518,806</b>	<b>4,239,714</b>	<b>11,758,520</b>
<b>Operating income (loss)</b>	<b>(4,399,486)</b>	<b>169,224</b>	<b>(4,230,262)</b>
Nonoperating revenues (expenses):			
State sources	63,821	-	63,821
Federal sources	5,251,589	128,635	5,380,224
Loss on sale of capital assets	(951)	-	(951)
Interest income	2,337	-	2,337
<b>Total nonoperating revenues</b>	<b>5,316,796</b>	<b>128,635</b>	<b>5,445,431</b>
<b>Income before transfers</b>	<b>917,310</b>	<b>297,859</b>	<b>1,215,169</b>
Transfers in	-	281,414	281,414
Transfers out	(479,969)	(31,167)	(511,136)
	<b>(479,969)</b>	<b>250,247</b>	<b>(229,722)</b>
Change in net position	437,341	548,106	985,447
Net position, beginning of year	322,867	(1,761,343)	(1,438,476)
Net position, end of year	<b>\$ 760,208</b>	<b>\$ (1,213,237)</b>	<b>\$ (453,029)</b>

See notes to basic financial statements.

## Cedar Rapids Community School District

### Combining Statement of Cash Flows Nonmajor Proprietary Funds Year Ended June 30, 2016

	Nutrition Services	Daycare Services	Total
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 2,712,154	\$ -	\$ 2,712,154
Cash received from services	392,580	4,400,589	4,793,169
Cash received from miscellaneous operating activities	12,153	60,370	72,523
Cash payments to employees for services	(3,798,814)	(3,638,412)	(7,437,226)
Cash payments to suppliers for good and services	(3,190,968)	(769,285)	(3,960,253)
<b>Net cash provided by (used in) operating activities</b>	<b>(3,872,895)</b>	<b>53,262</b>	<b>(3,819,633)</b>
Cash flows from noncapital financing activities:			
State lunch and breakfast reimbursements	63,821	-	63,821
Federal lunch and breakfast reimbursements	4,715,587	121,237	4,836,824
Transfers from other funds	-	281,414	281,414
Transfers to other funds	(479,969)	(31,167)	(511,136)
Proceeds from interfund accounts	368,393	-	368,393
Payments to interfund accounts	-	(202,841)	(202,841)
<b>Net cash provided by noncapital financing activities</b>	<b>4,667,832</b>	<b>168,643</b>	<b>4,836,475</b>
Cash flows from capital and related financing activities, acquisition of capital assets	(25,757)	(34,933)	(60,690)
Cash flows from investing activities, interest	2,522	-	2,522
<b>Net increase in cash and cash equivalents</b>	<b>771,702</b>	<b>186,972</b>	<b>958,674</b>
Cash and cash equivalents:			
Beginning	2,146,056	914,563	3,060,619
Ending	\$ 2,917,758	\$ 1,101,535	\$ 4,019,293
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (4,399,486)	\$ 169,224	\$ (4,230,262)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	98,845	-	98,845
Commodities consumed	609,351	-	609,351
Changes in assets and liabilities:			
Decrease (increase) in receivables, net	(28,237)	52,021	23,784
(Increase) in inventories	(30,349)	-	(30,349)
Increase (decrease) in accounts payable and accrued expenses	(21,999)	18,174	(3,825)
Increase in net pension liability	382,639	324,279	706,918
(Increase) in deferred outflows of resources	(328,458)	(311,647)	(640,105)
(Decrease) in deferred inflows of resources	(181,005)	(198,789)	(379,794)
Increase in unearned revenues	25,804	-	25,804
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (3,872,895)</b>	<b>\$ 53,262</b>	<b>\$ (3,819,633)</b>
Noncash items, noncapital financing activities, federal commodities	\$ 609,351	\$ -	\$ 609,351



## Cedar Rapids Community School District

### Statistical Section

#### Contents

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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
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	70-76
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	77-80
<b>Debt Capacity</b>	
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.	81-84
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	85-86
<b>Operating Information</b>	
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.	87-94



**Schedule 1**  
**Cedar Rapids Community School District**

**Net Position by Component**

**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
<b>Governmental activities</b>										
Net investment in capital assets	\$ 92,629,054	\$ 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
Restricted (3)	21,876,721	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
Unrestricted (2)	(68,105,253)	(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
<b>Total Governmental activities</b>	<b>46,400,522</b>	<b>31,207,628</b>	<b>104,963,261</b>	<b>95,323,947</b>	<b>92,720,652</b>	<b>82,534,976</b>	<b>75,192,275</b>	<b>73,050,769</b>	<b>66,062,163</b>	<b>49,875,742</b>
<b>Business type activities</b>										
Net investment in capital assets	995,092	1,034,198	787,396	628,541	516,911	546,333	540,774	527,720	564,015	505,235
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (2)	(1,448,121)	(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
<b>Total Business type activities</b>	<b>(453,029)</b>	<b>(1,438,476)</b>	<b>2,910,616</b>	<b>3,010,075</b>	<b>2,882,040</b>	<b>2,613,632</b>	<b>2,317,939</b>	<b>1,898,233</b>	<b>1,941,453</b>	<b>2,044,216</b>
<b>Primary Government</b>										
Net investment in capital assets (1)	93,624,146	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
Restricted	21,876,721	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
Unrestricted (2)	(69,553,374)	(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
<b>Total Primary Government</b>	<b>\$ 45,947,493</b>	<b>\$ 29,769,152</b>	<b>\$ 107,873,877</b>	<b>\$ 98,334,022</b>	<b>\$ 95,602,692</b>	<b>\$ 85,148,608</b>	<b>\$ 77,510,214</b>	<b>\$ 74,949,002</b>	<b>\$ 68,003,616</b>	<b>\$ 51,919,958</b>

Source: CRCS D 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 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**

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular instruction	\$ 71,485,585	\$ 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
Special instruction (4)	37,972,782	28,739,317	31,769,307	40,851,842	39,144,288	38,942,281	37,719,118	40,305,169	50,293,076	49,433,979
Vocational instruction	1,311,983	1,171,341	1,416,369	1,410,611	1,376,871	1,329,036	1,227,137	1,182,005	1,138,270	1,052,903
Other instruction	21,698,300	20,844,653	19,944,875	20,469,838	20,624,027	24,545,868	22,605,625	19,943,628	7,261,577	6,991,546
Total Instruction	132,468,650	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
Support services:										
Student services	5,395,080	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
Instructional staff services	14,754,665	15,091,885	11,401,346	7,534,866	7,621,472	8,475,277	8,129,012	6,984,503	7,035,747	6,579,274
General administration services	7,138,446	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
School administration services	13,590,131	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
Business services	5,445,535	5,596,489	5,232,791	6,293,509	5,680,845	6,068,161	5,622,533	5,936,881	5,772,893	5,092,014
Operations and maintenance	20,519,028	23,628,837	19,812,352	17,142,185	17,982,029	17,837,328	18,398,999	23,205,730	16,265,748	15,502,986
Student transportation	8,373,789	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
Total support services (3)	75,216,674	73,680,280	68,159,728	61,416,536	60,157,685	62,169,425	58,104,878	60,932,688	51,786,270	47,974,237
Non-instructional programs:										
Food Services	217,375	226,745	100,701	116,539	97,989	168,194	201,939	174,635	120,444	156,605
Community services	33,500	19,667	49,137	137,933	93,866	27,825	17,196	36,646	55,146	1,266,905
Total non-instructional expenditures	250,875	246,412	149,838	254,472	191,855	196,019	219,135	211,281	175,590	1,423,510
Facilities acquisition/construction	-	-	-	-	-	-	-	-	1,706,264	3,251,130
Interest on long-term debt	5,794,832	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
AEA flow through	7,319,340	7,241,289	6,879,239	6,626,570	6,585,536	7,259,732	7,235,780	6,606,831	6,232,507	5,916,552
Total other expenditures	13,114,172	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
Total governmental activities	221,050,371	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
Business type activities:										
Non-instructional programs:										
Day care services	4,239,714	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	7,519,757	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
Total Business type activities	11,759,471	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
<b>Total primary government expenses</b>	<b>232,809,842</b>	<b>224,215,629</b>	<b>223,862,543</b>	<b>221,556,690</b>	<b>217,081,649</b>	<b>223,526,918</b>	<b>213,222,413</b>	<b>214,987,326</b>	<b>189,489,490</b>	<b>180,240,205</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
Instruction	9,285,818	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
Support	885,724	792,749	783,739	533,744	382,035	404,214	516,918	124,095	158,590	430,377
Non-Instruction	634,464	624,993	602,627	602,545	663,854	620,996	626,433	595,378	466,431	1,965,778
Operating grants and contributions (1) (3)	31,681,740	36,595,764	29,485,461	28,146,816	28,242,870	38,179,998	42,074,181	29,048,356	24,276,159	21,281,797
Capital grants and contributions (2)	68,827	133,544	786,573	979,130	3,421,846	6,657,524	2,639,870	10,577,612	50,000	-
Total governmental activities	42,556,573	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
Business type activities:										
Charges for services										
Day care services	4,348,568	4,409,491	4,347,101	4,214,598	4,504,350	4,214,767	3,729,707	3,531,998	3,299,664	1,536,100
Nutrition Services	3,107,167	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
Operating grants and contributions										
Day care services	128,635	120,998	111,976	74,869	84,491	79,298	59,221	40,897	22,128	4,591
Nutrition Services	5,315,410	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
Capital grants and contributions										
Day care services	-	-	-	-	-	-	175,000	-	-	-
Nutrition Services	-	-	-	176,698	-	-	-	62,578	-	-
Total business type activities	12,899,780	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
<b>Total primary government program revenues</b>	<b>55,456,353</b>	<b>60,181,043</b>	<b>53,373,838</b>	<b>52,262,176</b>	<b>54,894,802</b>	<b>67,940,563</b>	<b>67,354,950</b>	<b>62,098,609</b>	<b>45,770,415</b>	<b>42,793,679</b>
Net (Expense)/Revenue										
Governmental activities	(178,493,798)	(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)
Business type activities	1,140,309	717,904	(5,185)	289,830	409,233	410,484	558,199	106,042	(17,969)	352,979
<b>Total primary government net expense</b>	<b>\$ (177,353,489)</b>	<b>\$ (164,034,586)</b>	<b>\$ (170,488,705)</b>	<b>\$ (169,294,514)</b>	<b>\$ (162,186,847)</b>	<b>\$ (155,586,355)</b>	<b>\$ (145,867,463)</b>	<b>\$ (152,888,717)</b>	<b>\$ (143,719,075)</b>	<b>\$ (137,446,526)</b>

Source: 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.

(4) Increases for FY2016 in special instruction is due to a change by District auditor's of categorization of between regular and special instruction expenditures.

**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									
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (178,493,798)	\$ (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)
Business-type activities	1,140,309	717,904	(5,185)	289,830	409,233	410,484	558,199	106,042	(17,969)	352,979
<b>Total primary government net expense</b>	<b>(177,353,489)</b>	<b>(164,034,586)</b>	<b>(170,488,705)</b>	<b>(169,294,514)</b>	<b>(162,186,847)</b>	<b>(155,586,355)</b>	<b>(145,867,463)</b>	<b>(152,888,717)</b>	<b>(143,719,075)</b>	<b>(137,446,526)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes										
Property taxes levied for general purposes(1)	69,041,172	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
Property taxes levied for debt service	-	-	-	-	-	-	-	695	1,789,051	3,606,784
Property taxes levied for capital projects	8,174,031	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
Secure and Advanced Vision for Education (SAVE) (2)	16,132,575	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	7,168,294	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
Grants not restricted to specific programs	88,098,463	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
Investment earnings	154,326	155,078	290,297	464,753	2,221,668	248,167	1,096,081	1,807,149	2,949,098	3,346,105
Miscellaneous	4,688,109	3,659,382	1,145,978	2,106,025	2,656,601	1,780,172	2,103,712	457,346	520,723	739,479
Transfers	229,722	388,495	172,862	232,136	235,752	242,600	202,168	193,867	191,366	251,678
<b>Total Governmental activities</b>	<b>193,686,692</b>	<b>187,232,435</b>	<b>180,122,834</b>	<b>172,187,639</b>	<b>172,781,756</b>	<b>163,339,540</b>	<b>148,567,168</b>	<b>159,929,564</b>	<b>159,887,527</b>	<b>142,723,112</b>
Business-type activities										
Investment earnings	2,337	2,256	2,257	2,805	3,081	6,596	6,270	27,090	92,021	95,425
Miscellaneous	72,523	86,580	76,331	67,536	91,846	121,213	57,405	17,515	14,551	40,023
Transfers	(229,722)	(388,495)	(172,862)	(232,136)	(235,752)	(242,600)	(202,168)	(193,867)	(191,366)	(251,678)
<b>Total Business-type activities</b>	<b>(154,862)</b>	<b>(299,659)</b>	<b>(94,274)</b>	<b>(161,795)</b>	<b>(140,825)</b>	<b>(114,791)</b>	<b>(138,493)</b>	<b>(149,262)</b>	<b>(84,794)</b>	<b>(116,230)</b>
<b>Total primary government</b>	<b>193,531,830</b>	<b>186,932,776</b>	<b>180,028,560</b>	<b>172,025,844</b>	<b>172,640,931</b>	<b>163,224,749</b>	<b>148,428,675</b>	<b>159,780,302</b>	<b>159,802,733</b>	<b>142,606,882</b>
<b>Change in Net Position</b>										
Governmental activities	15,192,894	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
Business-type activities	985,447	418,245	(99,459)	128,035	268,408	295,693	419,706	(43,220)	(102,763)	236,749
<b>Total primary government (3)</b>	<b>\$ 16,178,341</b>	<b>\$ 22,898,190</b>	<b>\$ 9,539,855</b>	<b>\$ 2,731,330</b>	<b>\$ 10,454,084</b>	<b>\$ 7,638,394</b>	<b>\$ 2,561,212</b>	<b>\$ 6,891,585</b>	<b>\$ 16,083,658</b>	<b>\$ 5,160,356</b>

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 2008 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									
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
General Fund										
Nonspendable	\$ 292,186	\$ 603,863	\$ 297,646	\$ 266,630	\$ 272,678	\$ 202,037	\$ -	\$ -	\$ -	\$ -
Restricted	3,821,002	4,219,634	4,172,776	4,599,248	4,215,252	3,291,584	-	-	-	-
Unassigned	21,532,805	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
Unreserved	-	-	-	-	-	-	999,069	11,524,431	19,386,712	19,914,489
Total general fund (6)	25,645,993	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
All Other Governmental Funds										
Restricted (5)	\$ 32,008,921	\$ 33,373,466	\$ 33,299,233	\$ 43,199,945	\$ 55,758,753	\$ 32,282,105	\$ -	\$ -	\$ -	\$ -
Assigned	1,823,584	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
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
Debt service funds (2)	-	-	-	-	-	-	113,436	24,769,620	31,805,918	31,884,219
Total all other governmental funds	33,832,505	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
<b>Total all governmental funds</b>	<b>\$ 59,478,498</b>	<b>\$ 52,165,892</b>	<b>\$ 42,686,702</b>	<b>\$ 43,946,015</b>	<b>\$ 64,533,826</b>	<b>\$ 37,708,285</b>	<b>\$ 22,378,484</b>	<b>\$ 56,109,439</b>	<b>\$ 73,468,763</b>	<b>\$ 62,092,431</b>

Source: CRCSD 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.

(6) Continued improvements in the General Fund reserves for FY2015 and FY2016 is largely the result of implementation of expenditure reductions 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									
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Federal Sources:										
Federal grants(1)	\$ 9,869,405	\$ 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
Total federal sources	9,869,405	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
State Sources:										
State foundation aid(1)	80,904,052	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
State grants and other(2)	47,555,636	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
Total state sources	128,459,688	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
Local sources										
Local taxes(2)	84,383,497	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
Tuition	4,685,211	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
Other local sources	8,684,832	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
Total local sources	97,753,540	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
<b>Total governmental revenues</b>	<b>\$ 236,082,633</b>	<b>\$ 233,621,713</b>	<b>\$ 226,066,525</b>	<b>\$ 212,578,766</b>	<b>\$ 215,412,460</b>	<b>\$ 217,463,248</b>	<b>\$ 204,160,331</b>	<b>\$ 206,515,265</b>	<b>\$ 195,249,147</b>	<b>\$ 176,744,638</b>

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 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									
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
<b>Instruction:</b>										
Regular instruction	\$ 72,428,743	\$ 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
Special instruction (2)	38,733,222	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
Vocational instruction	1,338,727	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
Other instruction	22,141,972	21,286,126	19,909,797	20,307,485	20,622,944	24,547,768	22,507,719	19,158,533	7,240,929	7,007,559
Total Instruction	134,642,664	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
<b>Support services:</b>										
Student services	5,503,668	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
Instructional staff services (1)	14,960,475	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
General administration services	3,963,884	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
School administration services	13,469,569	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
Business services	5,953,599	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
Operations and maintenance	16,447,672	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
Student transportation	7,755,760	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
AEA flowthrough	7,319,340	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
Total support services	75,373,967	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
<b>Non-instructional programs:</b>										
Food service	217,375	226,745	100,701	116,539	97,989	168,194	201,939	174,635	120,444	156,605
Community services	33,500	19,667	49,137	107,824	93,866	27,825	17,196	8,727	55,146	1,367,196
Total non-instructional services	250,875	246,412	149,838	224,363	191,855	196,019	219,135	183,362	175,590	1,523,801
<b>Other expenditures:</b>										
Debt Service										
Principal	3,710,000	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
Interest	5,549,533	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
Bond Issuance Costs	118,828	368,537	-	-	924,019	759,582	-	-	-	-
Capital Outlay										
Facility acquisition/construction	9,477,119	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
Total other expenditures	18,855,480	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
<b>Total expenditures</b>	<b>\$ 229,122,986</b>	<b>\$ 233,242,492</b>	<b>\$ 227,807,483</b>	<b>\$ 233,705,768</b>	<b>\$ 242,527,554</b>	<b>\$ 244,449,508</b>	<b>\$ 238,681,238</b>	<b>\$ 222,548,545</b>	<b>\$ 184,064,181</b>	<b>\$ 173,091,622</b>
Transfers out	10,875,517	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
<b>Total expenditures and transfers</b>	<b>\$ 239,998,503</b>	<b>\$ 243,682,285</b>	<b>\$ 238,247,518</b>	<b>\$ 244,496,342</b>	<b>\$ 263,934,092</b>	<b>\$ 255,832,918</b>	<b>\$ 245,257,372</b>	<b>\$ 229,359,037</b>	<b>\$ 189,926,548</b>	<b>\$ 176,668,958</b>
Capital Outlays	6,201,764	15,808,404	20,136,600	25,748,205	37,579,774	37,077,277	12,498,802	14,336,815	6,589,511	1,134,860
Total Expenditures less Capital Outlays	222,921,222	217,434,088	207,670,883	207,957,563	204,947,780	207,372,231	226,182,436	208,211,730	177,474,670	171,956,762
Debt Service	9,378,361	8,417,012	7,984,345	7,977,908	9,257,597	5,142,484	29,424,410	12,094,468	5,189,398	5,819,506
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.21%</b>	<b>3.87%</b>	<b>3.84%</b>	<b>3.84%</b>	<b>4.52%</b>	<b>2.48%</b>	<b>13.01%</b>	<b>5.81%</b>	<b>2.92%</b>	<b>3.38%</b>

Source: CRCSF Financial Records

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

(2) Increases for FY2016 in special instruction is due to a change by District auditor's of categorization of between regular and special instruction expenditures.

**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)*

	Fiscal Year									
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
<b>Excess of revenues over (under) expenditures</b>	\$ 6,959,647	\$ 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
<b>Other Financing Sources (Uses)</b>										
Bond issuance proceeds	13,935,000	65,603,000	-	-	53,425,000	30,000,000	-	-	-	-
Qualified School Construction Bonds	-	-	-	-	-	11,842,461	-	-	-	-
Qualified zone academy bond proceeds, (QZAB)	-	-	-	-	-	-	-	-	-	-
Capital loan proceeds	-	-	-	-	-	-	-	-	-	-
Premium on bonds	1,535,560	-	-	-	279,883	231,000	-	-	-	-
Sale of capital assets	2,677	378,668	308,783	307,055	-	-	-	-	-	-
Payment to refunding escrow agent	(15,350,000)	(57,270,194)	-	-	-	-	-	-	-	-
Transfers in	11,105,239	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
Transfers out	(10,875,517)	(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)
Total other financing sources (uses)	352,959	9,099,969	481,645	539,191	53,940,635	42,316,061	202,168	193,867	191,366	251,678
Special item, misappropriated collections <sup>(1)</sup>	-	-	-	-	-	-	587,784	-	-	-
<b>Net change in fund balances</b>	<b>\$ 7,312,606</b>	<b>\$ 9,479,190</b>	<b>\$ (1,259,313)</b>	<b>\$ (20,587,811)</b>	<b>\$ 26,825,541</b>	<b>\$ 15,329,801</b>	<b>\$ (33,730,955)</b>	<b>\$ (15,839,413)</b>	<b>\$ 11,376,332</b>	<b>\$ 3,904,694</b>

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. Improvements in FY2016 are driven largely by improvements in General Fund reserves.

**Schedule 8  
Cedar Rapids Community School District**

**Assessed Value and Taxable Value of Property**

**Last Ten Fiscal Years**

Calendar Year	Fiscal Year	Assessed Valuations (Excluding Tax Increment Financing (TIF) Property)							Taxable Valuations (Excluding Tax Increment Financing (TIF) Property)							Total District Levy Rate
		<u>Agriculture</u>	<u>Residential</u> (net of personal exemptions)	<u>Commercial</u>	<u>Industrial</u>	<u>Railroad</u>	<u>Utility with Gas &amp; Elect</u>	<u>Total</u>	<u>Agriculture</u>	<u>Residential</u> (net of personal exemptions)	<u>Commercial</u>	<u>Industrial</u>	<u>Railroad</u>	<u>Utility</u>	<u>Total</u>	
2014	2016	\$78,844,434	\$6,020,788,937	\$1,459,518,226	\$103,682,592	\$18,585,572	\$865,437,022	\$8,546,856,783	\$35,230,543	\$3,282,729,093	\$1,294,267,766	\$91,460,192	\$16,727,018	\$264,677,056	\$4,985,091,668	15.38030
2013	2015	79,363,811	5,979,232,433	1,440,990,908	107,264,831	17,444,673	760,458,858	8,384,755,514	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	54,064,493	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	1,367,243,273	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	585,999,113	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	4,379,304,353	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	10,456,029	280,097,553	4,252,041,112	13.78107
2006	2008	27,934,026	5,174,626,908	1,410,222,827	105,108,599	7,938,210	497,278,469	7,223,109,039	27,920,517	2,298,961,538	1,409,288,668	105,108,599	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

Calendar Year	State Rollback Factors					
	<u>Agriculture</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Railroad</u>	<u>Utility</u>
2014	44.7021%	55.7335%	90.0000%	90.0000%	90.0000%	100.0000%
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%	46.9094%	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%

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)*

<b>Fiscal Year</b>	<b>Cedar Rapids Community Schools District Direct Rates</b>			<b>Overlapping Rates<sup>(1)</sup></b>						
	<b><u>General Purposes</u></b>	<b><u>Capital Purposes</u></b>	<b><u>Total</u></b>	<b><u>City of Cedar Rapids</u></b>	<b><u>Town of Bertram</u></b>	<b><u>City of Hiawatha</u></b>	<b><u>City of Marion</u></b>	<b><u>Town of Palo</u></b>	<b><u>Town of Robins</u></b>	<b><u>Linn County</u></b>
<b>2016</b>	<b>\$13.78269</b>	<b>\$1.59761</b>	<b>\$15.38030</b>	<b>\$15.21621</b>	<b>\$4.40002</b>	<b>\$15.40867</b>	<b>\$13.58625</b>	<b>\$13.00441</b>	<b>\$7.97127</b>	<b>\$6.14225</b>
2015	14.55646	0.92800	15.48446	15.21621	4.21621	15.20483	13.12953	13.02338	7.93060	6.14191
2014	14.55313	0.92268	15.47581	15.21621	4.25998	15.18434	13.15637	12.43422	7.77881	6.11191
2013	14.23893	0.92196	15.16089	15.21621	4.26168	15.15751	13.62416	12.43424	8.02375	6.11191
2012	14.22226	0.93808	15.16034	15.21621	4.26166	15.53068	13.50980	11.85206	8.60023	6.11117
2011	14.23859	0.93187	15.17046	15.21621	4.34000	15.31001	13.63603	11.89459	9.01063	6.68290
2010	12.96275	0.95541	13.91816	15.21621	4.10667	15.31410	13.86482	11.89459	9.28024	5.95245
2009	12.82608	0.95499	13.78107	15.07076	4.39992	15.31391	14.13850	11.99225	9.18340	6.14971
2008	12.95612	1.41869	14.37481	14.61610	4.33756	13.46518	13.78572	11.99350	8.09957	5.88629
2007	13.01231	1.88981	14.90212	14.38608	4.39995	12.43336	13.95525	12.04938	9.32643	5.69014

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**

Taxpayer	Type of Business	Assessed Value 2014 for FY 2016 Revenue			Assessed Value 2005 for FY 2007 Revenue		
		FY16 Rank	Amount	Percentage of Total Assessed Valuation	FY06 Rank	Amount	Percentage of Total Assessed Valuation
Interstate Power /Alliant Energy	Natural Gas & Electric Utility	1	450,578,052	5.27%	1	221,195,480	3.16%
Nextera Energy	Duane Arnold Nuclear Utility	2	157,922,561	1.85%	-	-	-
Mid-America Energy	Natural Gas & Electric Utility	3	39,282,830	0.46%	6	23,810,216	0.34%
St. Lukes Methodist Hospital	Hospital/ Medical Clinics	4	36,564,520	0.43%	4	26,141,547	0.37%
Aegon U.S. Holding Corp	Investment Services/Insurance	5	17,500,000	0.20%	2	49,577,945	0.71%
The Pointe at Cedar Rapids East LLC	Residential & Commercial Real Estate	6	16,684,413	0.20%	-	-	-
Cargill Inc	Grain Processor	7	16,369,804	0.19%	-	-	-
Great America Building LLC	Commercial Real Estate	8	15,550,776	0.18%	-	-	-
Cedar Rapids City of	Municipality	9	14,650,703	0.17%	-	-	-
Sir Windsor on the River LLC	Residential Real Estate	10	13,964,549	0.16%	10	15,906,591	0.23%
Individual	Real Estate Holdings	-	-	-	3	33,961,329	0.48%
Qwest	Telecommunications	-	-	-	5	24,222,300	0.35%
Westdale Capital Investments LLC	Residential Real Estate	-	-	-	7	19,924,119	0.28%
Hy Vee Food Stores Inc.	Grocery	-	-	-	8	18,726,481	0.27%
OPM LC	Real Estate Holdings	-	-	-	9	17,443,007	0.25%
Total			<u>\$779,068,208</u>	<u>9.11%</u>		<u>\$450,909,015</u>	<u>6.44%</u>

Source: Linn County Auditor

**Schedule 11**  
**Cedar Rapids Community School District**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30th</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Delinquent Tax Collections (1)</b>	<b>Total Tax Collections</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
<b>2016</b>	<b>\$77,335,809</b>	<b>\$77,097,703</b>	<b>99.7%</b>	<b>\$117,500</b>	<b>\$77,215,203</b>	<b>99.84%</b>
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%

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**

need to update woods and pool in highlighted areas below.

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Governmental Activities</u>										<u>Percentage of Personal Income <sup>(1)</sup></u>	<u>Total Debt Per Capita <sup>(1)</sup></u>	<u>Net Bonded Debt <sup>(2)</sup> Per Capita <sup>(1)</sup></u>	<u>Taxable <sup>(2)</sup> Value of Property</u>	<u>Ratio of Net Bonded Debt <sup>(2)</sup> to Taxable Value of Property</u>
	<u>SAVE Revenue Bonds</u>	<u>QSCB Bonds</u>	<u>School Refunding Bonds</u>	<u>General Obligation Bonds</u>	<u>Capital Loan Note</u>	<u>Anticipatory Warrants</u>	<u>Bond Premiums</u>	<u>Total Primary Government</u>	<u>Less Amount Restricted for Debt Service</u>	<u>Net Bonded Debt</u>					
2016	\$94,723,000	\$11,842,461	\$13,935,000	\$ -	\$ -	\$ -	\$ 1,697,790	\$122,198,251	\$2,030,589	\$120,167,662	1.06%	\$461	\$453	\$4,985,091,668	2.41%
2015	95,603,000	11,842,461	18,180,000	-	-	-	320,991	125,946,452	2,487,425	123,459,027	1.12%	477	468	4,957,995,368	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%	445	434	4,890,038,969	2.33%
2013	83,425,000	11,842,461	23,500,000	-	-	-	685,993	119,453,454	2,125,782	117,327,672	1.08%	457	448	4,795,378,120	2.45%
2012	83,425,000	11,842,461	25,995,000	-	-	-	783,176	122,045,637	3,427,335	118,618,302	1.13%	468	455	4,596,613,222	2.58%
2011	30,000,000	11,842,461	28,490,000	-	-	-	602,205	70,934,666	1,661,964	69,272,702	0.68%	275	268	4,427,202,489	1.56%
2010	-	-	30,880,000	-	-	-	448,300	31,328,300	185,579	31,142,721	0.30%	122	121	4,379,304,353	0.71%
2009	-	-	31,385,000	26,300,000	-	-	520,176	58,205,176	-	58,205,176	0.56%	228	228	4,252,041,112	1.37%
2008	-	-	31,385,000	35,350,000	-	-	-	66,735,000	-	66,735,000	0.67%	264	264	4,128,554,614	1.62%
2007	-	-	31,385,000	37,400,000	-	-	-	68,785,000	-	68,785,000	0.73%	276	276	4,085,717,578	1.68%

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**

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<b>Fiscal Year</b>	<b>Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
<b>2016</b>	<b>\$16,080,075</b>	<b>\$ -</b>	<b>\$4,483,336</b>	<b>3.59</b>
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	-	-	-	-

Source: District Financial Records

**Schedule 14**  
**Cedar Rapids Community School District**

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2016**

	<b>Gross Debt Outstanding</b>	<b>Percentage Applicable to Governmental Unit (1)</b>	<b>Cedar Rapids Community School District Share of Debt</b>
Direct:			
Cedar Rapids Community School District	\$122,198,251	100.00 %	\$122,198,251
Overlapping:			
City of Cedar Rapids	\$158,629,646	72.82 %	\$115,514,108
City of Hiawatha	\$21,755,000	100.00 %	\$21,755,000
City of Marion	\$52,555,000	1.91 %	\$1,003,801
City of Robins	\$5,820,000	71.47 %	\$4,159,554
Kirkwood Community College	\$63,545,000	23.01 %	\$14,621,705
Linn County	\$17,925,000	53.66 %	\$9,618,555
Total Overlapping	320,229,646		166,672,723
Total Direct and Overlapping Debt	\$442,427,897	65.29 %	\$288,870,974

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									
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Assessed valuation	\$8,546,856,783	\$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
Legal debt limit (5% of Assessed Valuation)	427,342,839	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
District debt applicable	\$122,198,251	\$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
Legal debt margin	\$ 305,144,588	\$ 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
District debt applicable as a percentage of Legal debt limit	28.6%	30.0%	28.3%	28.9%	30.1%	18.0%	8.1%	15.2%	18.5%	19.6%

Source: District Financial Records and Linn County Auditor

**Schedule 16**  
**Cedar Rapids Community School District**

**Demographic and Economic Statistics**

**Last Ten Calendar Years**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Unemployment Rate %</b>
<b>2015</b>	<b>265,340</b>	<b>11,556,180,000</b>	<b>\$43,552</b>	<b>4.0%</b>
2014	263,960	11,211,710,000	42,475	3.7
2013	262,420	10,987,360,000	41,869	4.9
2012	261,630	11,026,570,000	42,146	5.1
2011	260,860	10,754,400,000	41,227	6.0
2010	258,220	10,441,510,000	40,436	6.1
2009	256,900	10,291,020,000	40,058	6.1
2008	255,500	10,316,910,000	40,379	3.9
2007	252,710	9,924,690,000	39,273	3.7
2006	249,520	9,448,410,000	37,866	3.6

Sources:

Woods and Poole Economics 2016 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**

<u><b>Employer</b></u>	<u><b>2016</b></u>			<u><b>2007</b></u>		
	<u><b>Employees</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total Employment (1)</b></u>	<u><b>Employees</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total Employment (1)</b></u>
Rockwell Collins Inc.	8,700	1	4.77%	9,000	1	5.25%
Transamerica	3,800	2	2.08%	2,800	3	1.63%
UnityPoint Health - St. Lukes Hospital	2,979	3	1.63%	2,800	4	1.63%
Cedar Rapids Community Schools	2,879	4	1.58%	2,900	2	1.69%
Nordstrom Direct	2,150	5	1.18%	-	-	-
Mercy Medical Center	2,140	6	1.17%	2,498	7	1.46%
City of Cedar Rapids	1,280	7	0.70%	1,493	8	0.87%
Four Oaks	1,100	8	0.60%	-	-	-
Kirkwood Community College	1,062	9	0.58%	1,410	9	0.82%
Walmart Stores Inc	1,048	10	0.57%	1,030	10	0.60%
Whirlpool Corporation	-	-	-	2,650	5	1.55%
Hy-Vee Food Stores	-	-	-	2,545	6	1.49%
<b>Totals</b>	<b>23,928</b>		<b>13.11%</b>	<b>21,491</b>		<b>12.53%</b>

Sources:

Cedar Rapids Economic Alliance - for individual employer employment.

Woods and Poole Economics 2016 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 <sup>(1)</sup> District Employee by Type**

**Last Ten Years**

**Percentage  
Change**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2007-2016
<b>Administration</b>											
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.00%
Deputy/Assistant Superintendent	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	2.0	2.0	0.00%
Principals and Assistants	47.0	46.0	47.0	49.0	48.0	48.0	48.0	48.0	48.0	49.0	-4.08%
District Administrators	14.0	13.0	13.0	10.0	12.0	13.0	13.0	14.0	13.0	13.0	7.69%
Supervisors	8.0	9.0	8.0	7.0	7.0	7.0	8.0	9.0	8.0	8.0	0.00%
Total Administration	70.0	71.0	71.0	69.0	69.0	70.0	71.0	73.0	72.0	73.0	-4.11%
<b>Teachers</b>											
PreK-12 <sup>(3)</sup> , Music, Physical Education and Art	916.4	923.6	911.4	930.4	938.1	952.1	969.5	940.8	942.0	933.0	-1.78%
Special Education	229.5	210.2	211.7	222.3	213.6	218.4	219.4	252.9	258.1	265.5	-13.54%
Federal Programs	26.5	27.8	28.8	31.3	23.1	39.9	41.3	27.2	26.0	23.0	15.11%
Media Specialist	15.5	18.5	19.5	21.0	21.5	24.0	25.0	23.3	24.7	23.7	-34.60%
Counselors	45.0	46.0	49.0	46.0	49.8	47.0	48.8	48.6	46.3	46.0	-2.17%
Total Teachers	1,232.8	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	-4.52%
<b>Support Personnel</b>											
Clerical	146.8	137.4	156.7	169.1	182.2	184.7	182.8	178.1	183.5	180.7	-18.77%
Teacher aides, Special Education	265.3	270.9	248.1	309.0	272.2	295.8	257.0	273.6	268.1	281.2	-5.64%
Teacher aides, regular	91.0	83.7	120.5	135.9	132.0	135.2	124.1	120.2	95.1	90.4	0.59%
Custodial and maintenance	142.1	141.9	148.4	152.5	161.1	163.3	171.4	170.3	168.4	169.9	-16.33%
Bus drivers/Attendants	115.1	105.5	104.9	114.0	115.0	113.6	111.0	105.7	105.6	104.1	10.54%
Food service workers	131.4	131.8	128.0	138.8	138.4	141.5	134.3	133.9	136.8	133.6	-1.63%
Nurses/Volunteer Coordinator	16.8	13.3	13.0	14.0	14.0	14.5	14.5	15.5	15.5	15.1	10.93%
Crafts and trades	9.0	10.0	11.0	11.0	12.0	18.6	22.8	18.1	18.9	19.6	-54.13%
Data processing	0.0	0.0	0.0	0.0	0.0	0.0	3.5	3.8	3.8	3.8	-100.00%
Day care	0.0	97.4	104.8	105.7	117.7	108.1	105.0	99.8	101.0	97.1	-100.00%
Other <sup>(2)</sup>	135.9	117.9	150.2	88.6	69.8	65.8	54.3	55.5	57.3	58.1	133.82%
Total Support Personnel	1,053.2	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	-8.70%
Total Staff	2,356.0	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	-6.42%

Source: District Human Resources Department

(1) FTE (full time equivalent) as of the fall of each 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**

<b>Fiscal Year</b>	<b>General Fund - Expenditures</b>				<b>All District Funds - Expenses</b>			<b>Teaching Staff (FTE*)</b>	<b>Resident Pupil- Teacher Ratio</b>	<b>Students Receiving Free or Reduced Price Meals</b>	
	<b>Certified Enrollment*</b>	<b>Net Expenditures *</b>	<b>Cost per Pupil<sup>(1)</sup></b>	<b>Percentage Change</b>	<b>Statement of Activities Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>			<b>Number</b>	<b>Percentage</b>
<b>2016</b>	<b>16,939</b>	<b>\$182,141,049</b>	<b>\$10,753</b>	<b>1.4%</b>	<b>\$232,809,842</b>	<b>\$13,744</b>	<b>3.2%</b>	<b>1,232.8</b>	<b>13.7</b>	<b>7,403</b>	<b>43.7%</b>
2015	16,843	178,584,723	10,603	2.9%	224,215,629	13,312	0.3%	1,226.1	13.7	7,918	47.6%
2014	16,865	173,859,183	10,309	-1.7%	223,862,543	13,274	-0.2%	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%

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**

		Fiscal Year									
Building		<u>2016</u>	<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>
High Schools (9-12)											
Jefferson (1959)											
	Square feet	312,035	312,035	312,035	312,035	312,035	312,035	312,035	312,035	312,035	312,035
	Architectural Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
	Educational Capacity	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734
	Enrollment	1,490	1,516	1,496	1,467	1,525	1,538	1,625	1,655	1,667	1,632
Kennedy (1968)											
	Square feet	293,092	293,092	293,092	293,092	293,092	293,092	293,092	293,092	293,092	293,092
	Architectural Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
	Educational Capacity	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845
	Enrollment	1,761	1,749	1,780	1,721	1,766	1,792	1,790	1,807	1,813	1,829
Metro (1971)											
	Square feet	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399
	Architectural Capacity	450	450	450	450	450	450	450	450	450	450
	Educational Capacity	475	475	475	475	475	475	475	475	475	475
	Enrollment	410	374	358	337	415	462	585	566	568	556
Washington (1959)											
	Square feet	311,919	312,694	312,694	312,694	312,694	312,694	312,694	312,694	312,694	312,694
	Architectural Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
	Educational Capacity	1,626	1,626	1,626	1,626	1,626	1,626	1,626	1,626	1,626	1,626
	Enrollment	1,366	1,364	1,381	1,381	1,409	1,414	1,435	1,476	1,531	1,651
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
	Architectural Capacity	700	700	700	700	700	700	700	700	700	700
	Educational Capacity	806	806	806	806	806	806	806	806	806	806
	Enrollment	649	663	637	644	636	622	640	640	653	630
Harding (1964)											
	Square feet	139,634	139,634	139,634	139,634	139,634	139,634	139,634	139,634	139,634	139,634
	Architectural Capacity	900	900	900	900	900	900	900	900	900	900
	Educational Capacity	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038
	Enrollment	813	807	837	883	870	895	835	876	880	952
McKinley (1922)											

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

		Fiscal Year									
Building		<u>2016</u>	<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>
	Square feet	<b>138,476</b>	138,476	138,476	138,476	138,476	138,476	138,476	138,476	138,476	138,476
	Architectural Capacity	<b>700</b>	700	700	700	700	700	700	700	700	700
	Educational Capacity	<b>824</b>	824	824	824	824	824	824	824	824	824
	Enrollment	<b>523</b>	535	543	556	562	561	541	516	512	555
<b>Roosevelt (1924)</b>											
	Square feet	<b>139,350</b>	139,350	139,350	139,350	139,350	139,350	139,350	139,350	139,350	139,350
	Architectural Capacity	<b>700</b>	700	700	700	700	700	700	700	700	700
	Educational Capacity	<b>846</b>	846	846	846	846	846	846	846	846	846
	Enrollment	<b>556</b>	566	601	564	549	555	504	496	570	628
<b>Taft (1965)</b>											
	Square feet	<b>127,507</b>	127,507	127,507	127,507	127,507	127,507	127,507	127,507	127,507	127,507
	Architectural Capacity	<b>700</b>	700	700	700	700	700	700	700	700	700
	Educational Capacity	<b>684</b>	684	684	684	684	684	684	684	684	684
	Enrollment	<b>570</b>	580	567	616	658	653	646	667	699	730
<b>Wilson (1928)</b>											
	Square feet	<b>108,807</b>	108,807	108,807	108,807	108,807	108,807	108,807	108,807	108,807	108,807
	Architectural Capacity	<b>650</b>	650	650	650	650	650	650	650	650	650
	Educational Capacity	<b>546</b>	546	546	546	546	546	546	546	546	546
	Total Enrollment	<b>368</b>	368	381	379	508	504	774	785	804	833
<b>Elementary Schools</b>											
<b>Arthur (1914)</b>	K-5										
	Square feet	<b>53,851</b>	53,851	53,851	53,851	53,851	53,851	53,851	53,851	53,851	53,851
	Architectural Capacity	<b>400</b>	400	400	400	400	400	400	400	400	400
	Educational Capacity	<b>417</b>	417	417	417	417	417	417	417	417	417
	Enrollment	<b>344</b>	367	368	354	339	332	312	316	302	312
<b>Cleveland (1950)</b>	K-5										
	Square feet	<b>46,819</b>	46,819	46,819	46,819	46,819	46,819	46,819	46,819	46,819	46,819
	Architectural Capacity	<b>500</b>	500	500	500	500	500	500	500	500	500
	Educational Capacity	<b>435</b>	435	435	435	435	435	435	435	435	435
	Enrollment	<b>355</b>	347	347	345	309	301	320	366	328	359
<b>Coolidge (1967)</b>	K-5										
	Square feet	<b>48,557</b>	48,557	48,557	48,557	48,557	48,557	48,557	48,557	48,557	48,557
	Architectural Capacity	<b>500</b>	500	500	500	500	500	500	500	500	500
	Educational Capacity	<b>465</b>	465	465	465	465	465	465	465	465	465

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

		Fiscal Year									
Building		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	Enrollment	405	410	430	454	424	408	458	433	423	413
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
	Architectural Capacity	400	400	400	400	400	400	400	400	400	400
	Educational Capacity	420	420	420	420	420	420	420	420	420	420
	Enrollment	376	358	381	421	300	312	325	321	354	362
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
	Architectural Capacity	400	400	400	400	400	400	400	400	400	400
	Educational Capacity	456	309	309	309	309	309	309	309	309	309
	Enrollment	280	270	269	231	187	222	287	295	306	328
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
	Architectural Capacity	600	600	600	600	600	600	600	600	600	600
	Educational Capacity	547	547	547	547	547	547	547	547	547	547
	Enrollment	447	479	495	487	571	545	562	535	545	521
Grant (1961)	K-1										
	Square feet	46,565	46,565	43,919	43,919	43,919	43,919	43,919	43,919	43,919	43,919
	Architectural Capacity	450	450	450	450	450	450	450	450	450	450
	Educational Capacity	456	456	456	456	456	456	456	456	456	456
	Enrollment	360	379	394	385	151	154	151	179	223	234
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
	Architectural Capacity	500	500	500	500	500	500	500	500	500	500
	Educational Capacity	394	394	394	394	394	394	394	394	394	394
	Enrollment	343	324	310	340	292	301	304	331	352	335
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
	Architectural Capacity	550	550	550	550	550	550	550	550	550	550
	Educational Capacity	366	366	366	366	366	366	366	366	366	366
	Enrollment	318	288	282	282	271	255	243	311	389	404
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

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

		Fiscal Year									
Building		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	Architectural Capacity	550	550	550	550	550	550	550	550	550	550
	Educational Capacity	509	509	509	509	509	509	509	509	509	509
	Enrollment	454	423	390	391	390	382	395	424	462	400
Hoover (1954)	K-5										
	Square feet	55,177	55,177	55,177	55,177	55,177	55,177	55,177	55,177	55,177	55,177
	Architectural Capacity	500	500	500	500	500	500	500	500	500	500
	Educational Capacity	499	499	499	499	499	499	499	499	499	499
	Enrollment	322	323	376	344	338	342	367	358	360	307
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
	Architectural Capacity	540	540	540	540	540	540	540	540	540	540
	Educational Capacity	499	499	499	499	499	499	499	499	499	499
	Enrollment	351	334	343	338	348	354	345	331	331	318
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
	Architectural Capacity	500	500	500	500	500	500	500	500	500	500
	Educational Capacity	395	395	395	395	395	395	395	395	395	395
	Enrollment	395	317	332	303	224	243	230	279	304	311
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
	Architectural Capacity	500	500	500	500	500	500	500	500	500	500
	Educational Capacity	485	485	485	485	485	485	485	485	485	485
	Enrollment	308	310	298	305	259	269	325	331	301	319
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
	Architectural Capacity	400	400	400	400	400	400	400	400	400	400
	Educational Capacity	317	317	317	317	317	317	317	317	317	317
	Enrollment	259	280	259	262	286	274	286	273	284	277
Monroe (1961) (2)	K-only										
	Square feet					27,175	27,175	27,175	27,175	27,175	27,175
	Architectural Capacity					350	350	350	350	350	350
	Educational Capacity					350	350	350	350	350	350
	Enrollment					220	189	196	234	253	280

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

		Fiscal Year									
Building		<u>2016</u>	<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>
<b>Nixon (1970)</b>	K-5										
	Square feet	<b>37,580</b>	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580
	Architectural Capacity	<b>540</b>	540	540	540	540	540	540	540	540	540
	Educational Capacity	<b>461</b>	461	461	461	461	461	461	461	461	461
	Enrollment	<b>313</b>	330	346	350	278	285	301	301	310	318
<b>Pierce (1965)</b>	K-5										
	Square feet	<b>47,321</b>	47,321	47,321	47,321	47,321	47,321	47,321	47,321	47,321	47,321
	Architectural Capacity	<b>475</b>	475	475	475	475	475	475	475	475	475
	Educational Capacity	<b>427</b>	427	427	427	427	427	427	427	427	427
	Enrollment	<b>387</b>	390	412	405	439	480	471	465	446	439
<b>Polk (1961) (2)</b>	K-5										
	Square feet	<b>29,934</b>	29,934	29,934	29,934	29,934	29,934	29,934	29,934	29,934	29,934
	Architectural Capacity	<b>100</b>	100	100	100	350	350	350	350	350	350
	Educational Capacity	<b>100</b>	100	100	100	350	350	350	350	350	350
	Enrollment	<b>90</b>	70	76	50	214	192	195	220	212	224
<b>Taylor (1973) (1)</b>	K-5										
	Square feet	<b>48,170</b>	48,170	48,170	48,170	48,170	48,170	48,170	48,170	48,170	48,170
	Architectural Capacity	<b>475</b>	475	475	475	475	475	475	475	475	475
	Educational Capacity	<b>392</b>	392	392	392	392	392	392	392	392	392
	Enrollment	<b>255</b>	237	260	252	237	228	232	0	268	232
<b>Truman (1961)</b>											
	Square feet	<b>44,129</b>	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129
	Architectural Capacity	<b>400</b>	400	400	400	400	400	400	400	400	400
	Educational Capacity	<b>352</b>	352	352	352	352	352	352	352	352	352
	Enrollment	<b>267</b>	275	308	324	330	340	335	352	351	339
<b>Van Buren (1970)</b>	K-5										
	Square feet	<b>37,580</b>	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580
	Architectural Capacity	<b>475</b>	475	475	475	475	475	475	475	475	475
	Educational Capacity	<b>470</b>	470	470	470	470	470	470	470	470	470
	Enrollment	<b>379</b>	380	365	345	410	404	350	385	392	360
<b>Wright (1953)</b>	K-5										
	Square feet	<b>41,502</b>	41,502	41,502	41,502	41,502	41,502	41,502	41,502	41,502	41,502
	Architectural Capacity	<b>375</b>	375	375	375	375	375	375	375	375	375
	Educational Capacity	<b>385</b>	385	385	385	385	385	385	0	385	385



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

<b>Building</b>	<b>Fiscal Year</b>									
	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>
Enrollment	<b>323</b>	336	339	315	260	258	232	248	221	232
<b>Totals</b>										
Square feet	<b>2,790,242</b>	2,791,017	2,788,371	2,788,371	2,815,546	2,802,562	2,815,546	2,815,546	2,815,546	2,815,546
Architectural Capacity	<b>20,330</b>	20,330	20,330	20,330	20,930	20,930	20,930	20,930	20,930	20,930
Educational Capacity	<b>19,671</b>	19,524	19,524	19,524	20,124	20,124	20,124	19,739	20,124	20,124
Building Enrollment	<b>15,837</b>	15,749	15,961	15,831	15,975	16,066	16,597	16,772	17,414	17,620
<b>% Architectural Capacity</b>	<b>77.90%</b>	77.47%	78.51%	77.87%	76.33%	76.76%	79.30%	80.13%	83.20%	84.19%
<b>% Educational Capacity</b>	<b>80.51%</b>	80.66%	81.75%	81.08%	79.38%	79.84%	82.47%	84.97%	86.53%	87.56%

Source: 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2016.

**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, 2016, 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 Responses to Findings**

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

**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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

Cedar Rapids, Iowa  
November 29, 2016

**Report on Compliance for the Major Federal Program and  
Report on Internal Control Over Compliance  
Required by the Uniform Guidance**

**Independent Auditor's Report**

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

**Report on Compliance for the 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 Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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 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, 2016.

### **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 the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*RSM US LLP*

Cedar Rapids, Iowa  
November 29, 2016

# Cedar Rapids Community School District

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program Expenditures
<b>Indirect:</b>			
<b>U.S. Department of Agriculture:</b>			
Passed through Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	4552	\$ 985,112
National School Lunch Program	10.555	4553	3,603,696
National School Lunch Program - USDA Commodities (noncash)	10.555	4951	609,351
Subtotal			4,213,047
Fresh Fruit & Vegetable Pilot Program	10.582	4557	53,430
Child and Adult Care Food Program	10.558	4554	128,159
Team Nutrition Grant	10.574	4558	476
<b>Total U.S. Department of Agriculture</b>			<b>5,380,224</b>
<b>U.S. Department of Education:</b>			
Passed through Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4501	3,337,264
Title I Grants to Local Educational Agencies - Delinquent	84.010	4501/438	50,070
Title I Grants to Local Educational Agencies - Carryover	84.010	4508	13,140
Title I Grants to Local Educational Agencies - SINA	84.010	4501/432	153,416
Subtotal			3,553,890
Special Education Grants to States - IDEA Part B - High Cost Funds	84.027	4525	14,148
Title IIA Improving Teacher Quality State Grants - Class Size Reduction Program	84.367	4643	614,188
Title III - Immigrant Children & Youth	84.365	4644	17,798
Gear Up Iowa	84.334	4674	52,611
Perkins Vocational Education Program - Basic Grant	84.048	4531	191,099
Title VI A Grants for State Assessments and Related Activities -			
NCLB Assessment Grant	84.369	4648	63,536
Education for Homeless Children and Youth	84.196	4565	36,000
			4,543,270
Passed through Grant Wood Area Education Agency,			
Special Education Grants to States IDEA Part B	84.027	4521	895,906
<b>Total U.S. Department of Education</b>			<b>5,439,176</b>
<b>U.S. Department of Human Services:</b>			
Passed through Iowa Department of Education:			
School Wellness - Water Availability	93.945	4621	16,212
School Health Programs	93.938	4577	570
<b>Total U.S. Department of Human Services</b>			<b>16,782</b>
<b>U.S. Department of Homeland Security:</b>			
Passed through Iowa Department of Homeland Security,			
FEMA Disaster Assistance	97.036	4566	60,729
<b>Total Indirect</b>			<b>10,896,911</b>
<b>Total expenditures of federal awards</b>			<b>\$ 10,896,911</b>

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, 2016**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Cedar Rapids Community School District for the year ended June 30, 2016. 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). 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**

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 the Uniform Guidance, 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 \$910,054.

#### **Note 4. Indirect Cost Rate**

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

#### **Note 5. Subrecipients**

For the year ended June 30, 2016, the District did not pass through any federal funds to subrecipients.

**Cedar Rapids Community School District**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2016**

Finding		Status	Corrective Action Plan or Other Explanation
<b>Other Findings Related to Statutory Reporting</b>			
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.	Not Corrected	See correction action plan at 16-IV-G.
15-IV-M	The District's Daycare Services Fund had a deficit balance at June 30, 2015 due to implementation of GASB No. 68.	Not Corrected	See corrective action plan at 16-IV-M.



**Cedar Rapids Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2016**

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**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 2 CFR 200.516?

☐ Yes ☒ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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, 2016**

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**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**

**16-IV-A Certified Budget**

Expenditures/expenses during the year ended June 30, 2016 did not exceed budget amounts.

**16-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.

**16-IV-C Travel Expenses**

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

**16-IV-D Business Transactions**

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

**16-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.

**16-IV-F Board Minutes**

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

**Cedar Rapids Community School District**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2016**

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**16-IV-G Certified Enrollment**

Finding: There were various certified enrollment variances identified by the State that resulted in a reduction of 4.48 students from the October 1, 2015 certified enrollment numbers reported by the District.

Recommendation: The District should ensure that their system reconciles to the SRI 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.

**16-IV- H Supplementary Weighting**

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

**16-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.

**16-IV-J Certified Annual Report**

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

**16-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, 2016

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#### 16-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, 2016, the District's financial activity and other required information for the statewide sales, services and use tax revenue are as follows:

Beginning balance	\$ 7,840,180
Statewide sales, services and use tax	16,080,075
Interest earned	8,535
Proceeds from sale of assets	176
Miscellaneous revenue	231,597
Public Assistance	167,112
Revenue bonds issued	9,765
Expenditures/transfers out:	
Capital:	
Buildings	(4,789,417)
Equipment	(620,655)
Other improvements	(2,135,851)
Debt service for school infrastructure, revenue debt	(8,564,069)
Ending balance	<u><u>\$ 8,227,448</u></u>

	Per \$1,000 of Taxable Valuation	Property Tax Dollars
Debt service levy	1.00268	8,564,068
Physical plant and equipment levy	0.87997	7,516,007

#### 16-IV-M Deficit Balances

Finding: The Daycare Services Fund has a deficit balance of \$1,213,237 at June 30, 2016 due to IPERS net pension liability.

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

Response and corrective action plan: 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.

#### 16-IV-N Revenue Bonds

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

**Cedar Rapids Community School District**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2016**

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**16-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).

**16-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, 2016

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
<b>Other Findings Related to Statutory Reporting</b>				
16-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 16-IV-G.	June 2017	Executive Director of Business Services
16-IV-M	The Daycare Fund has a deficit balance at June 30, 2016, due to IPERS net pension liability.	See response and corrective action plan at 16-IV-M.	June 2017	Executive Director of Business Services



