



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, 2017



Cedar Rapids
Community School District

Every Learner: Future Ready

Cedar Rapids Community School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017

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December 11, 2017

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, 2017. 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, 2017.

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, 2017. 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 2017 certified enrollment of 17,092 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, 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's first magnet middle school, the Roosevelt Middle School Creative Corridor Business Academy opened its doors officially this fall. The District believes these innovative learning experiences and others to follow, will provide for enhanced student learning experiences and overall increased student achievement.

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

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

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

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

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

Items and goods produced include: 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.

Cedar Rapids has over 3,360 acres of city owned property for undeveloped green space and recreational use. There are 74 formally named parks or recreational facilities. These include baseball and softball fields, all-weather basketball courts, two frisbee golf courses, sand volleyball courts, the Tuma Soccer Complex, a BMX dirt track, two off-leash dog exercise areas, the Old MacDonald's Farm (a children's zoo), 10 splash pads, and many parks that have pavilions, picnicking areas and restroom facilities. The various trail systems in Cedar Rapids have a total of 24 miles (39 km) for walking, running or bicycling. The YMCA has had a local chapter since 1868. It has many facilities including Camp Wapsie.

According to the US Census Bureau, Cedar Rapids has a population of 131,127 in 2016. According to information from Woods and Poole for 2017, 269,000 residents live in the greater Cedar Rapids metropolitan area. The Cedar Rapids metro area population has seen an increase of 4.1% since 2010.

According to Woods & Poole Economics, retail sales in the Cedar Rapids metropolitan area (as measured in 2009 dollars) increased from \$5.36 billion in 2016 to \$5.47 billion in 2017. The three largest sectors of retail sales were Non-Store Retailers at \$1.8 billion, Motor Vehicles and Parts at \$887.3 million and General Merchandise Stores at \$607.9 million.

According to Woods & Poole Economics, mean household income, (as measured in 2009 dollars) in the Cedar Rapids metropolitan area for 2017 was \$105,050 up slightly from \$104,207 in 2016. Income per capita, (also measured in 2009 dollars) shows an increase from \$44,430 in 2016 to \$45,038 in 2017. Total employment in the Cedar Rapids metropolitan area increased from 183,030 in 2016 to 185,010 in 2017. Not surprisingly, information from the Bureau of Labor Statistics, show a decline in unemployment rates in the Cedar Rapids metropolitan area from 4.0% in June 2016 to 3.1% in April 2017.

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 \$23,607,356 in 2015 to \$22,354,265 in 2016. Permits for 268 new single-family dwellings were issued in Cedar Rapids in 2015 compared to 219 permits issued in 2016. New multi-family housing starts in the City of Cedar Rapids climbed from 31 in 2015 to 46 in 2016. The value of these permits increased from \$5,342,262 to \$6,783,769 respectively.

Building permits issued by the City of Cedar Rapids for all "repairs, remodeling & additions" declined from 3,937 permits valued at \$16,896,478 in 2015 to 3,333 permits valued at \$15,207,042 in 2016.

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 2017

May 24, 2017 10:45 AM

Congrats to the Class of 2017

The District is proud to recognize the academic achievements of some 1060 students this week with commencement ceremonies for each of the four high schools.

Jefferson High School celebrates 300 graduates; Kennedy High School honors 427 graduates; Washington High School recognizes 278 graduates; and Metro High School congratulates 55 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 2017!



KENNEDY AND WASHINGTON IN TOP 10 ON BEST HIGH SCHOOLS LIST

April 28, 2017 01:00 PM

Cedar Rapids Kennedy High School is ranked second and Washington High School sixth on the 2017 prestigious [US News and World Report's Best High School Rankings for the State of Iowa](#).

The US News Rankings are the most rigorous school rankings, requiring schools to meet certain thresholds, including comparing student performance on state tests to the rest of the state, evaluating whether subgroups of students (racial and economic) were exceeding their peers in the state, the school's graduation rate, and finally, the quantity and quality of student performance on AP exams.

"We are proud of the work that is underway in all of our high schools and pleased to have Washington and Kennedy recognized with this acknowledgement," said Dr. Brad Buck, Superintendent. "We are also excited to see growing student participation in the valuable activities that are not measured by this model, including all credit bearing courses, student internships, innovative programming such as Iowa BIG, and the High School Academies at Kirkwood's Linn County Regional Center."

CLINE NAMED WASHINGTON HIGH SCHOOL PRINCIPAL

April 27, 2017 11:00 AM

The Board of Education approved John Cline as the new Washington High School Principal at its April 24, 2017 meeting. He will join the District on July 1.

Cline has served as assistant principal of South Mecklenburg High School in Charlotte-Mecklenburg, NC since 2013. During his tenure at the largest high school in the state, the school has achieved the third highest student growth scores of all high schools in the state, seen a 27% increase in Advanced Placement course enrollment, and introduced a credit-recovery program that is making it possible for more students to realize their graduation goals.



ZIEGLER NAMED PIERCE PRINCIPAL

April 11, 2017 08:45 AM

The Board of Education has approved Kathleen Ziegler to serve as principal at

Pierce Elementary School. Ziegler begins her new role on July 1, 2017.

During her 21-year tenure with the District, Ziegler has served as a teacher at Johnson Elementary School; a Reading Coach/ Instructional Design Strategist at Johnson and Grant elementary schools and Wilson School; and for the last three years has been a Professional Learning Facilitator, working with Building Leadership Teams and providing individual building support to principals and Instructional Design Strategists. Ziegler earned her undergraduate degree from Cornell College and her Masters and Administrative endorsement from the University of Northern Iowa. She also has a reading endorsement from Drake University.

COMMUNITY INVITED TO JOIN FACILITIES CONVERSATION *April 3, 2017 01:30 PM*

The District began a journey last fall to Reimagine, Re-envision, and Reinvest in its students and schools through a Facilities Master Planning process. A Committee of parents, students, employees, business and industry leaders, and other community members has been meeting since September 2016 to consider such factors as changes in teaching and learning, the age of schools, an ever-increasing pressure on funding to support facility needs and improvements, and the changing location of families within the community.

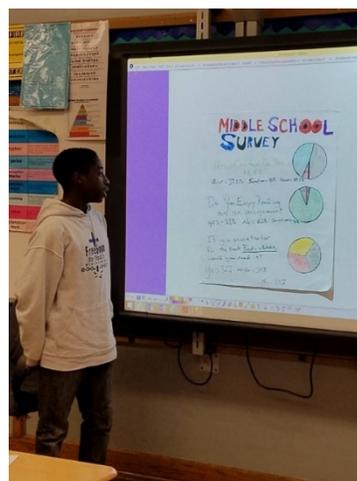
The public provided feedback in December through discussion sessions and an online survey. That information helped the Committee further define its work. The group is now ready to update the community with public conversations on April 11, 12, and 13. The format and discussion will be similar on each evening. District parents, students, employees, and other interested individuals should attend on the date that best fits their schedule.

ROOSEVELT PROJECT INVESTIGATES DECLINE IN TEEN READING *March 27, 2017 01:40 PM*

Seventh graders at Roosevelt Middle School recently completed a learning unit that asked the question, "How can we get teenagers to read more?" The language arts students researched teen reading habits, cited sources, and conducted in-house surveys with fellow Roosevelt students. They also shared a survey through the Cedar Rapids Public Library to gather information from teens who attend other area middle schools. Resulting projects included websites, blogs, videos, board games, and display boards.

In building their projects, students developed claims, gathered evidence, and met with library staff for input. Students took ownership by building their own teams.

Project-based learning will be in full force next year as Roosevelt transitions to a magnet school. Lottery applications to attend the Roosevelt Creative Corridor Business Academy for the 2017-18 school year will be accepted through April 7.



ASSOCIATE SUPERINTENDENT SELECTED *March 7, 2017 08:10 AM*

Noreen Colbeck-Bush, current Director of Secondary Education and Innovation at College Community School District, will become Associate Superintendent of Cedar Rapids Community School District July 1, 2017 pending Board approval in March.

Ms. Bush is in her 23rd year as an educator. She has experience in diverse schools ranging from Clayton High School in Clayton, MO (St. Louis) to Prairie Edge School--a special school serving children with significant mental health and behavioral support needs. Her administrative experience spans PK-12 settings: high school associate principal, middle school principal, PK-4 principal, and district office administration. "We are excited to have Ms. Bush join our team in Cedar



Rapids. Her experiences in a variety of settings and roles are especially valuable to us in addition to her work in strategic planning and innovative practices, among many others”, said Dr. Brad Buck, Superintendent.

STEM FEST ATTRACTS OVER 800

February 22, 2017 03:16 PM

Over 800 area students and their families enjoyed the opportunity to learn more about science, technology, engineering, and mathematics at the 4th Annual STEM Festival, held February 21 at Kirkwood Community College's Linn County Regional Center. Students from several District schools were involved in the event, including Franklin Middle School, Harding Middle School, Johnson STEAM Magnet Academy School, Kenwood Leadership Academy, METRO STEAM Academy, and Wright Elementary School, as well as the District's Home School Assistance Program. Exhibits ranged from making slime to testing robots.

The event, showcasing more than 50 exhibitors, also included presentations, displays, and activities from the Iowa Speedway, National Advanced Driving Simulator, Kirkwood Community College, ProCircular, Cornell College, Coe College, Five Rivers Carpenters Apprenticeship, Alliant Energy, Hall & Hall Engineers, and the Cedar Rapids Smile Center.



KLA STUDENTS SPEAK AT BUSINESS MEETING

February 14, 2017 08:12 AM

Community partner Van Meter, Inc. recently hosted a panel of students and staff from our Kenwood Leadership Academy to speak about leadership skills as part of a business meeting. The students each spoke about the ways they recognize the leader within themselves and how they are working at school to develop those skills. After sharing their prepared comments, they students participated in a question and answer session with the Van Meter employees.



“It was pretty amazing to see students at such a young age be so confident in who they are as individuals to speak in front of a large group of grown-ups,” noted Principal David Brandon. “They were able to speak clearly and articulately about how their experience at Kenwood is impacting both their life both in school and outside of school.”

COMMITTEE MEMBERS TOUR SCHOOLS FOR INPUT

February 3, 2017 03:00 PM

Members of the District's Master Facilities Committee recently toured schools to see how facilities of varying ages and sizes are being used to support student learning. For a local view, groups visited schools in the Cedar Rapids District, as well as in the Linn-Mar and College Community school districts. A team also traveled to the Kansas City area.

The tours provided committee members with a chance to see District buildings they may have never visited before and also to see the educational spaces in schools, many of which have been built within the last five years. The information gathered will guide future



Committee discussion about District investment in existing or new schools as part of our journey to *Reimagine, Re-envision, and Reinvest* in our students and school facilities.

KIDS ON COURSE UNIVERSITY EXCEEDS EXPECTATIONS - EXPANSION PLANNED

January 11, 2017 07:30 AM

Kids on Course University shares results.

Academic testing from the Cedar Rapids Community School District indicates the majority of students who participated in the six-week *Kids on Course University* summer program showed improvement in reading. The average growth was one and one half months! Research has indicated that students can lose up to three months in the subject of reading during the summer break.

“The results exceeded the program’s goals and expectations,” noted Val Dolezal, Executive Administrator of Elementary Education. “Students in the Kids On Course University program also showed great commitment through the consistently high attendance across all five program sites.”



A total of 624 students from 15 District elementary schools attended the free summer program, which aims to help close the achievement gap through summer learning. Students with a demonstrated reading deficiency were invited to participate.

DISTRICT TO OPEN MIDDLE SCHOOL MAGNET

December 26, 2016 10:00 AM

The District is excited to introduce its third Magnet School and the first at the middle school level. The Roosevelt Creative Corridor Business Academy Magnet School (RCCBA) will open in the fall of 2017. It will provide three pathways that will encompass key areas of businesses today and provide real-world learning experiences for students in grades 6 – 8.



The first pathway will be leadership, building on the theme of the kindergarten – fifth grade Kenwood Leadership Academy. This pathway will emphasize entrepreneurship and how leadership impacts our personal, business, and community lives and well-being. The second pathway will be a STEAM (science, technology, engineering, arts and math) pathway extending the focus of the K-5 Johnson STEAM Academy. This pathway will provide students with opportunities in various career areas using the universal design concepts found in businesses across the STEAM content areas. The third pathway further expands the business model, while celebrating the diversity of both the Roosevelt students and the community.

STATE OF THE DISTRICT CELEBRATES DIVERSITY

December 20, 2016 11:45 AM

Celebrating Our Diverse Community of Learners was the theme of the 2016 State of the District program, held Dec. 20. Community partners, parents, students, and staff attended the annual breakfast event, which showcased the diversity of the District, emphasized a commitment to provide all learners with multiple pathways for success, and recognized the many businesses and organizations that support students and staff.



In his comments, Superintendent Dr. Brad Buck spoke to the need for changing classroom practices that better align with employer needs. He highlighted some of the ways that the District is working to provide students with project-based learning and multiple opportunities to develop employability skills such as problem-solving, collaboration, critical thinking, and leadership.



Kennedy High School senior Afnan Elsheikh further emphasized the importance of employability skills in her comments, focusing on how her involvements at Kennedy have prepared her for the future. Roosevelt Middle School 8th grader Celestte Panduro then celebrated the many ways the District supports its diverse community of learners by telling sharing her personal story of joining the District after moving to Cedar Rapids from another country. Videos featuring students, teachers, and area employers additionally highlighted the theme.

The Cleveland Elementary School Choir, McKinley Middle School Marching Band drumline, and Jefferson High School Meistersingers added special musical performances to the program. A video presenting students thanking community partners in multiple languages provided an opportunity to recognize the business and organization partners in attendance.

“The event was a great opportunity to showcase our students and the important work that is underway here in our Cedar Rapids Community School District,” noted Dr. Buck.

IOWA BIG CELEBRATES MILLION DOLLAR AWARD AND EXPANSION

December 1, 2016 11:30 AM

Iowa BIG celebrated receiving a \$1,000,000 award from the XQ: Super School Project with a community celebration on Nov. 30 that also revealed news of the program’s expansion to include a third school district! More than 300 guests - including parents, educators, business representatives, and community leaders - toured the program’s new space at 415 12th Avenue SE in Cedar Rapids, where students were on hand to share information about their learning projects.



Iowa BIG is a partnership between the Cedar Rapids Community School District and College Community School District to provide contextually-rich learning options for high school students. Students earn core academic credit and build their college and professional resumes by engaging in authentic projects in and with businesses and the community. During Wednesday’s program, it was announced that the Linn-Mar Community School District will join the program starting in the fall of 2017.

“This is truly a community program,” said Dr. Brad Buck, Superintendent. “We’re thankful for all of our partners and excited to welcome Linn Mar as we continue to provide additional, rigorous pathways for future students success.”

BLEND-ED PROVIDES ANOTHER OPTION FOR STUDENTS AND TEACHERS AT JEFFERSON

November 21, 2016 09:00 AM

What began three years ago as an effort to revive a small teaching partnership between same-course instructors has swelled into a personalized learning collaboration involving seven teachers, two grade levels of students, and a wing of classrooms at Jefferson high school. How'd they do it? Simply by asking, "What if?" and "How?"

- What if a lesson finishes early?
- What if you need three more minutes to finish an assignment?
- How do we get to know students better?
- How can students connect their work with the real world?

Answering those questions was the springboard for the Jefferson BlendED Academy, a program devoted to the personalized learning of students through the use of interdisciplinary, competency-based learning, project- and technology-based innovation with the ability to accelerate through coursework.



This fall, 244 students are enrolled in the Academy – 149 freshmen and 95 sophomores. Participating students were randomly selected based on their Math, Science, and Language Arts registrations; the BlendED schedule needed to fit with their electives.

AMERICA READS MARKS 20TH YEAR!
October 21, 2016 02:11 PM

Hundreds of volunteers helped schools celebrate the 20th annual **AMERICA READS: *Reading Is Contagious*** literacy celebration. The event, held Oct. 20th and 21st, has become a fall tradition across the community, involving six school districts and reaching more than 16,000 students. The program was developed in the Cedar Rapids Community School District as a way to focus attention on the importance of reading aloud to young children to improve literacy.



Each year, elementary schools host events that celebrate reading to children, promote reading as a lifelong skill, focus attention on literacy in the schools, and demonstrate the joy of reading through community involvement. Numerous studies indicate that children who have been read to on a regular basis are the ones who become good readers. The United States Department of Education's research indicates that reading just 30 minutes a day with a child significantly increases a child's reading ability, stimulating cognitive skills; building motivation, curiosity, and memory; and also giving children the opportunity to practice listening.

THANK YOU!
September 30, 2016 03:00 PM

When the risk of flood waters threatened and we put out a call to action, you responded in extraordinary ways. I want to thank our employees, students, parents, and other community volunteers for your incredible support of Taylor Elementary, the District as a whole, your neighborhoods, and the communities of both Cedar Rapids and Palo. Together we were able to sandbag around an entire school in just over 2 hours! This accomplishment was made all the more



impressive since it was happening simultaneous with efforts to protect homes and businesses. Beyond that, you were patient as we worked through not having school for a week and adjusted to our identifying Monday as a student day that hadn't been previously scheduled.

I did not live in the area at the time but I have family members who were directly impacted by the flood of 2008. I was awed then by the devastation that occurred. I have been awed this week by how effectively and efficiently the lessons that were learned that summer were put into action this time. As the Cedar Rapids Mayor noted, the Cedar River was up 1-0 on us, but we have largely evened things at 1-1 after this round of flooding. I could not agree more or be more proud to live and work alongside you. Gratefully, Dr. Brad Buck – Superintendent

STUDENTS OFFERED SEATING OPTIONS

September 9, 2016 05:49 PM

Some fifth and third grade classrooms at Truman Elementary School are piloting the use of alternative seating options this fall. These include large round balls, floor carpeting, various chair cushions, and a tall table where students can sit on stools or choose to stand. By allowing students to have a choice of work stations, teachers hope to increase their engagement. The seating also promotes better student dialogue and collaboration.



“Student choice and voice is something we are really embracing as a school to increase our student engagement and build a stronger more collaborative school community,” explained Tammi Kuba, Principal.

NORTHWEST RECREATION CENTER OPENS AT HARRISON ELEMENTARY SCHOOL

August 26, 2016 10:35 AM

The District joined with the City of Cedar Rapids to celebrate the opening of the Northwest Recreation Center, 1340 11th Street NW, with a ribbon cutting ceremony on Aug. 25. An open house followed for community members that featured games, refreshments and prize drawings.



Board of Education President John Laverty and Superintendent Dr. Brad Buck each spoke at the ribbon cutting, highlighting the successful partnership with the City and congratulating the school community and neighborhood on the new facility.

“We are excited about this collaboration between the city and the school district,” said Dr. Buck. “The facility is a beautiful addition to the Harrison campus. I look forward to additional opportunities in the future for us to work together to amplify our resources to the benefit of our students and the community.”

DOOLEY NAMED INTERIM EXECUTIVE DIRECTOR

August 25, 2016 08:00 AM

The District is pleased to announce that Rodrick Dooley has been named interim Executive Director of Talent Management. Dooley has an extensive background in both human resources and education. His appointment was approved Aug. 22 by the Board of Education.



Dooley began his career as a high school teacher and coach in North Carolina, and then served as a middle school assistant principal. He joined Rockwell Collins in Cedar Rapids in 1997, holding the positions of Vice President of Diversity and Integrated Talent Management, Vice President of Human Resources Delivery, and Vice President of Talent Management and Diversity during a 19-year tenure. He has also served as the senior pastor at Oakhill Jackson Community Church since 2003.

Dooley earned his undergraduate degree in mathematics education from North Carolina State University and an EMBA from the University of Tennessee.

WELCOME TO THE NEW SCHOOL YEAR

August 23, 2016 02:53 PM

Students returned to classrooms across the District Aug. 23 for the start of the new school year. Opening day events included special flag raising ceremonies, all-school assemblies, and other community-building events. Students also spent the first day getting to know their teachers and learning the classroom routines. New principals are being welcomed this year at Harrison Elementary School, Trista Manternach; Jackson Elementary School, Nick Duffy; Taylor Elementary School, Andrea Scott; McKinley Middle School, Jason Martinez; and Metro High School, Brian Galusha. Interim principal Dr. Carlos Grant greeted students at Washington High School.



“You could feel the excitement in the air at the schools I visited,” noted Dr. Brad Buck, Superintendent. “Staff members were greeting students, helping them read schedules and working on locker combinations, and getting them started with classroom activities designed to get to know one another. There are so many positive things happening as staff members reach out and get to know students as learners.”

Budgetary Highlights

Budgetary Cycle

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.

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 11.0% on June 30, 2016 to 14.03% on June 30, 2017.

The Board of Education monitors on a monthly basis, the District's unspent balance forecast. The unspent balance is the official State prescribed measure of residual "spending authority" remaining on June 30th each year in the General Fund. The unspent balance forecast is recalculated monthly based upon changes in staffing as well as all other General fund budget line items on both the revenue and expense side. The District's unspent balance increased from \$5.8 million on June 30, 2015 to \$7.1 million on June 30, 2016 and to \$11.2 on June 30, 2017. This improved reserve level now equates to 5.6% 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, 2017.

According to the Statement of Activities, Districtwide interest and investment revenue totaled \$4,287,065 for the year ending June 30, 2017. This compares to \$4,760,632 from the prior year.

General Fund Budgetary Highlights

Of all Governmental Funds, the General Fund is by far the largest, approximately 84% 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 FY2017.

Planning the fiscal year 2018 budget was less challenging than one might expect given the historically low level of State Supplemental Aid growth of 1.11% provided by the State. Unprecedented changes in the State's collective bargaining laws contained in Chapter 20 of the Iowa Code, provided Iowa School Boards added bargaining power to reach employee compensation settlements more in line with growth rates of State funding. For the Cedar Rapids Community School District, employee compensation settlements ranged from a 1.6% increase with our teaching and administrative staff to a 1.75% increase for all other employee groups. These settlements allowed the District to balance the General Fund budget without any staff reductions for the first time in seven consecutive fiscal years.

A General Fund balanced budget that also includes additional discretionary resources to provide funding for key District initiatives including our continued expansion of the Magnet School program, Five Bold Steps for both Future Ready Learners and a Future Ready System. It also allowed for critical improvements in instructional data analytics to better align District resources to measurable student outcomes. These initiatives as well as others are summarized within the General Fund "budget scorecard" that can be found on the following page.

In recent years, the scorecard was a summary of revenue enhancements and spending reductions needed to maintain stable spending authority reserves. The scorecard for Fiscal year 2018 shows for the first time in seven years, a summary of "spending increases" not spending cuts. The net increase of \$571,185 in planned new programs and initiatives still allows for stable spending authority reserves.

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 FY2017 of \$31.4 million representing 15.8% of fund expenditures. The FY2018 budget adjustments (entitled FY2018 General Fund Budget Planning Scorecard) reflect the District's continued commitment to maintain a strong fund reserve position in FY2018.

Fiscal Year	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Fund Balance	\$23.3	\$17.1	\$6.9	\$9.1	\$11.1	\$3.5	\$7.7	\$17.0	\$25.6	\$31.4
% of fund expenditures	14.5%	9.8%	3.8%	5.0%	6.1%	1.9%	4.1%	8.9%	13.2%	15.8%

General Fund Statistics

- General Fund expenditures, excluding other financing uses, totaled \$198.7 million for the fiscal year compared with \$194.2 million in FY2016, representing an increase of \$4.5 million or 2.3% over the prior year.
- General Fund revenues, excluding other financing sources, totaled \$201.9 million for the fiscal year compared with \$200.5 million in the previous year, representing an increase of \$1.4 million or 0.7% over the prior year.
- The two largest revenue categories of the General Fund were Local Taxes, (property tax, and income surtax) at \$69.1 million and State Foundation Aid at \$84.3 million. These two categories alone make up 76% of all General Fund revenues collected, (excluding other financing sources).

Fiscal Year 2018: General Fund Budget Planning Scorecard

Assumes 1.11% SSA and total compensation growth of 1.672%

Revised 5-25-17

	<u>Dollars</u>	<u>FTE</u>
Estimated increase in FY2018 forecast Unspent Balance	\$574,601	
Incremental Changes to Budget in FY2018		
1 New Revenue Sources		
1 Instructional Material Fee increase by 2.4% (CPI-U)	\$11,722	
2 United Way contribution towards Data Analysts	\$30,000	
3 Add Building Copy Machines to SU Equipment Breakdown Insurance Program	\$175,000	
Total New Revenue	\$216,722	0.0000
2 New Costs for Additional Programs & Services		
1 AP Testing Costs increases for Lost State Revenues	\$18,000	0.0000
2 Data Analysts to support School Status/Power School Initiative	\$214,200	2.0000
3 Magnet School Expansion	\$153,449	0.5000
4 Equal Opportunity Schools	\$84,000	0.0000
5 Five Bold Steps - Reclaiming our Story	\$262,503	0.0000
6 New Furniture and Equipment Budget Increase from \$250k to \$261k	\$11,000	0.0000
7 Health Secretaries Increase 30 minutes/day	\$34,292	0.1658
8 KOC Summer crossing guards	\$10,462	0.0000
Total New Expenditures	\$787,907	2.6658
Net New Costs	\$571,185	2.6658
Balance to increase (decrease) Unspent Balance	\$3,416	

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 \$380.7 million in SAVE revenues from inception of the SAVE tax in Linn County through December 31, 2029.

Legal uses for SAVE Tax Funds

According to the Iowa Code, uses for SAVE tax funds include:

- 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
- Lease of school facilities
- Payment for non-instructional software
- Payment for school bus repairs equal or greater than \$2,500
- 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 now committed to the SAVE fund will cost approximately \$20 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 \$59.1 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, bus repair and non-instructional software is \$248.7 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. ADA (Americans with Disabilities Act) improvements totaling \$4 million over a three year period ending in fiscal year 2019, is currently a work in progress.

SAVE Unobligated Reserves

As of September 26, 2017, total estimate SAVE unobligated reserves total \$54.6 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 - Reimagine, Re-Envision, and Reinvest

A new initiative began in the fall of 2016 to update the District’s Facilities Master Plan remains underway. The theme of this new initiative is Reimagine, Re-Envision, and Reinvest in our students and school facilities. A committee of approximately 85 volunteers have met over a dozen times since the fall of 2016 and will continue to meet throughout the fall of 2017 to help craft a Facilities Master Plan. A Facilities Master Plan will be submitted to the Board of Education for consideration on December 11, 2017.

Continuing updates of the Facilities Master Plan Reimagine, Re-Envision, and Reinvest can be found at: <http://www.cr.k12.ia.us/departments-services/reimagine-re-envision-and-reinvest/>

Enterprise Operation Budgetary Highlights

Nutrition Services Fund

Revenues which include operating revenues, non-operating revenues, transfers in and capital contributions totaled \$8,507,847 compared to \$8,436,116 in the previous year representing an increase of \$71,731 over the fiscal year 2016 amount. Expenses which include operating expenses and transfers out totaled \$8,534,137 compared to \$7,998,775 in the previous year representing an increase of \$535,362 from the fiscal year 2016 amount. Net position was \$733,918 at June 30, 2017 down from \$760,208 in the prior fiscal period.

Meal prices were increased for FY2017 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 the increase costs for food and labor. The Food and Nutrition Department increased breakfast prices by \$0.05 and lunch prices increased \$0.05 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 planned acceleration of the replacement of aging kitchen equipment at many locations in our District.

Day Care Services Fund

Revenues which include operating revenues, non-operating revenues, and transfers in totaled \$4,689,679 compared to \$4,818,987 in fiscal year 2016. Expenses which include operating expenses and transfers out totaled \$4,579,099 compared to \$4,270,881 in fiscal year 2016.

Net position was -\$1,102,657 at June 30, 2017 compared to -\$1,213,237 in the prior fiscal period. The net position has been reduced \$2,653,340 to comply with GASB68 which requires the District 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 2017, the District used a total of \$38 million in SAVE revenues for property tax relief. For FY2018 the District will use an additional \$2 million in SAVE revenues for property tax relief. 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	FY14	FY15	FY16	FY17	FY18
Tax Rate	\$15.48	\$15.48	\$15.38	\$15.38	\$15.38

Total District property taxes collected in FY2017 were \$77,769,595 an increase of \$554,392 from FY2016 when \$77,215,203 in property taxes were collected.

Debt Administration:

On June 30, 2017 the District had \$112,131,461 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. Principal outstanding on June 30, 2017: \$30,000,000
- \$11,842,641 in federally subsidized zero/low interest Qualified School Construction Bonds (QSCB) dated December 1, 2010 and payable through July 1, 2028. Principal outstanding on June 30, 2017: \$11,842,461
- \$9,000,000 in local option sales tax (SAVE) backed revenue bonds dated July 7, 2014 and payable through June 30, 2018. Principal outstanding on June 30, 2017: \$4,500,000
- \$56,603,000 in local option sales tax (SAVE) backed refunding bonds dated June 6, 2015 and payable through June 30, 2026. Principal outstanding on June 30, 2017: \$54,709,000
- \$13,935,000 in General Obligation Refunding Bonds dated May 1, 2016 and payable through June 30, 2021. Principal outstanding on June 30, 2017: \$11,080,000

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 15 to 103 years with an average age of 59 years. The age of the District's middle school buildings ranges from 52 to 95 years with an average age of 76 years. The age of the District's high schools ranges from 49 to 58 years with an average age of 53 years. Metro High School, the District's alternative high school is 46 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 \$506,958,773.

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. Today, the District certified enrollment stands at 17,092, rebounding somewhat, but still lower than the certified enrollment count of 17,746 in the fall of 2007, one year prior to the flood event.

Over the next five years, District enrollments are predicted to be stable to a slight decline of 1% overall, according to enrollment predictions provided the District by RSP and Associates. 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 since then, 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% & FY18: 1.11%. The consequences of these low growth rates, coupled with declining enrollments, have placed 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: Historically, growth in District employee wages and benefits have outpaced State funding to the District, which has been a major factor in the seven consecutive years of General Fund budget reductions through fiscal year 2017. Because wages and benefit costs represent 80% of all General Fund expenditures, continued vigilance over the relationship between compensation growth State funding growth will continue.

Implementing the Budget Plan: 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 annual savings not realized as a result of missed budget reduction targets totaled \$4.3 million and further exacerbated declining reserves. Since 2013, budget monitoring techniques and adherence to the budget plan have improved. Monitoring adherence to FY2018's budget plan 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 \$380.7 million. SAVE revenues are tied to student enrollments and given the District's recent history of declining student enrollments, future SAVE revenues could be adversely impacted.

Health Insurance: Concerns around our nation's health care system have certainly grown in recent years. Providing affordable health insurance coverage to our employees is of critical importance in attracting and retaining a quality workforce. For FY2018 the District has experienced a 5.5% increase in health insurance premiums on top of FY2017s increase of 18% in health insurance premiums overall. Costs for health insurance coverage continues to take a disproportionate share of overall employee compensation as growth in health care costs outpace wage growth over time. District leadership is actively engaged with employee groups in looking for a long term solution that is equitable for all.

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. Despite State legislative action in the 2013-14 legislative cycle, enacting a property tax relief measure for commercial property owners to provide some relief, a number of commercial property owners continue to challenge their property tax assessments each year.

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 national economy is currently strong, the State economy is experiencing a downturn, largely due to a softening in the farm economy, with lower than expected State tax revenue collections. Future funding growth to schools under these circumstances may be threatened.

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. RSM US LLP was awarded our audit services contract for up to five years beginning with the FY2017 audit. 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 Uniform Guidance. 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, 2016. This was the twenty-second 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, 2016

Executive Director/CEO



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

Cedar Rapids Community School District

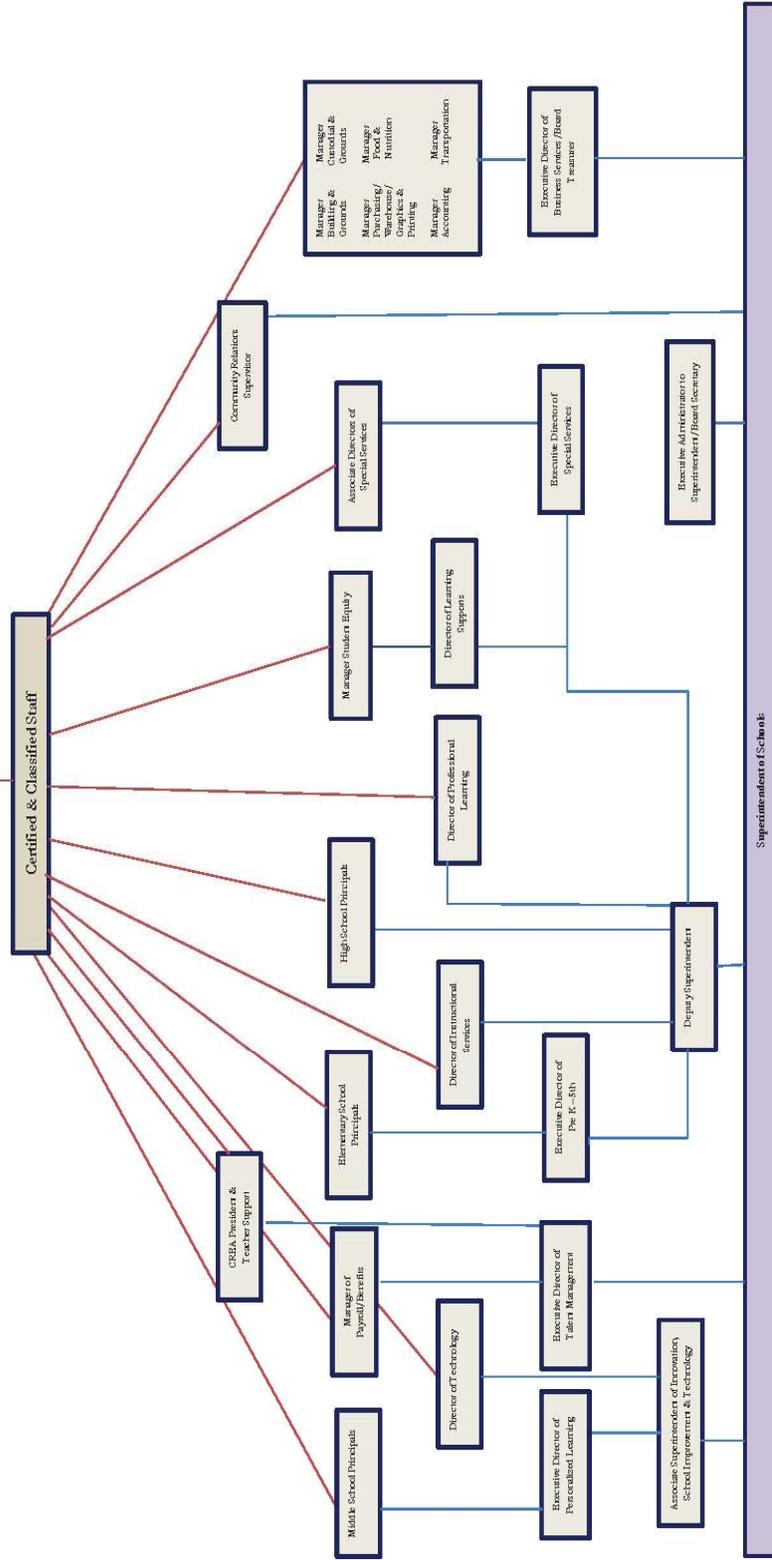
**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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




Anthony N. Dragona, Ed.D., RSBA
President


John D. Musso, CAE
Executive Director



Cedar Rapids Community School District

**Board of Education and District Officials
Year Ended June 30, 2017**

Name	Title	Term Expires
Board of Education (Before September 2017 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
Board of Education (After September 2017 election)		
John Lavery	President	2019
Nancy Humbles	Vice-President	2021
Gary Anhalt	Director	2021
Rafael Jacobo	Director	2019
Kristen Janssen	Director	2019
Mary Meisterling	Director	2019
Jennifer Borcharding	Director	2021
District Officials		
Dr. Brad Buck	Superintendent	
Laurel Day	Board Secretary	
Steve Graham	Board Treasurer	





RSM US LLP

Independent Auditor's Report

To the Board of Education
Cedar Rapids Community School District

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, 2017, 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, 2017, 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, budgetary comparison information, and the Iowa Public Employees' Retirement System schedule of the District's proportionate share of the net pension liability, the Iowa Public Employees' Retirement System schedule of District contributions, and the schedule of funding progress for the District's other postemployment benefit plan – MIIP, as listed in the table of contents, 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 December 4, 2017 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

RSM US LLP

Cedar Rapids, Iowa
December 4, 2017

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2017

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, 2017. 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.

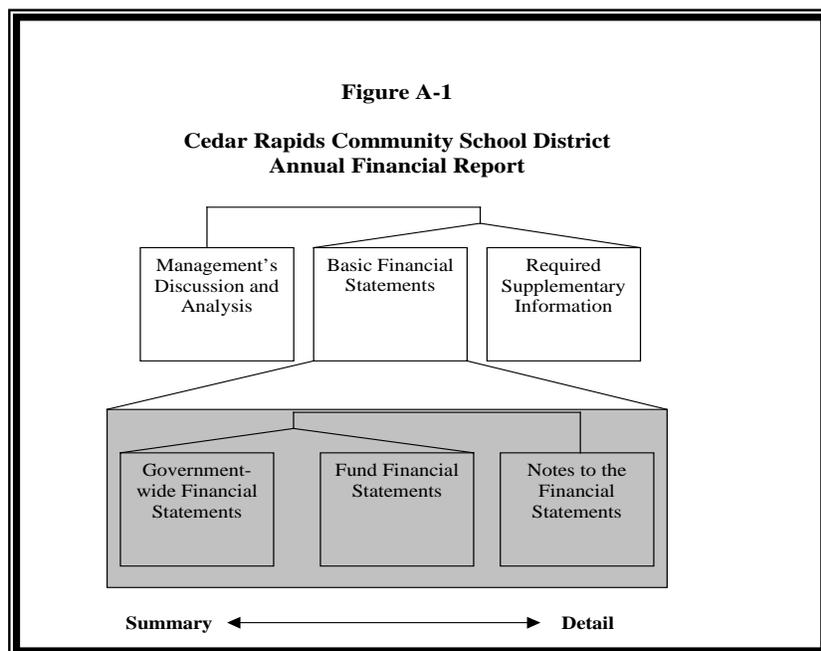
Overview of the Financial Statements

- 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, 2017

- 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, 2017

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 20.4% or \$9.4 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)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2016	2017	2016	2017	2016	2017	2016-2017
Current and other assets	\$170.3	\$180.0	\$3.3	\$3.4	\$173.6	\$183.4	5.6%
Capital assets	202.9	199.6	1.0	0.9	203.9	200.5	-1.7%
Total assets	373.2	379.6	4.3	4.3	377.5	383.9	1.7%
Pension related amounts	28.7	30.2	1.4	1.4	\$30.1	\$31.6	0.0%
Deferred amount on refunding	3.5	3.1	0.0	0.0	\$3.5	\$3.1	0.0%
Total deferred outflows	32.2	33.3	1.4	1.4	33.6	34.7	0.0%
Current liabilities	32.3	37.7	0.6	0.5	32.9	38.2	16.2%
Noncurrent Liabilities	218.4	225.4	4.4	5.4	222.8	230.8	3.6%
Total liabilities	250.7	263.1	5.0	5.9	255.7	269.0	5.2%
Property taxes	77.6	82.5	0.0	0.0	77.6	82.5	6.3%
Income surtaxes	6.9	7.1	0.0	0.0	6.9	7.1	2.9%
Pension related amounts	23.8	4.5	1.2	0.2	25.0	4.7	0.0%
Total deferred inflows	108.3	94.1	1.2	0.2	109.5	94.3	-13.9%
Net position							
Net investment in capital							
Assets	92.6	97.7	1.0	0.9	93.6	98.6	5.3%
Restricted	21.9	19.0	0.0	0.0	21.9	19.0	-13.2%
Unrestricted	(68.1)	(61.0)	(1.4)	(1.3)	(69.5)	(62.3)	-10.4%
Total net position	\$46.4	\$55.7	(\$0.4)	(\$0.4)	\$46.0	\$55.3	20.1%

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, 2017**

are up \$5.7 million over the prior period. Noncurrent Liabilities increased \$8.0 million or 3.6% over the prior period. This was due to an increase in the noncurrent portion of long-term obligations reflective of the District's 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 \$9.4 million in net position. This compares to a \$16.2 million increase in net position in the

Figure A-4
Changes in Net Position from Operating Results (in millions of dollars)

	Governmental Activities		Business-type Activities		Total School District		Percentage Change
	2016	2017	2016	2017	2016	2017	2016-2017
Revenues							
Program revenues							
Charges for services	\$10.8	\$10.1	\$7.5	\$7.3	\$18.3	\$17.4	-4.8%
Operating Grants & Contributions	31.7	32.0	5.4	5.7	37.1	37.7	1.6%
Capital Grants & Contributions	0.1	-	-	-	0.1	-	-100.0%
General revenues							
Taxes	100.5	101.1	-	-	100.5	101.1	0.6%
State formula aid not restricted	88.1	91.6	-	-	88.1	91.6	4.0%
Other	4.8	4.6	0.1	0.1	4.9	4.7	-4.7%
Total revenues	236.1	239.4	13.0	13.1	249.1	252.5	1.4%
Expenses							
Instruction	\$132.5	\$136.0	-	-	\$132.5	\$136.0	2.6%
Pupil & Instructional Services	20.1	23.1	-	-	20.1	23.1	14.5%
Administrative & Business	26.2	30.8	-	-	26.2	30.8	17.6%
Maintenance & Operations	20.5	21.2	-	-	20.5	21.2	3.4%
Transportation	8.4	8.1	-	-	8.4	8.1	-3.3%
Other	13.4	11.4	11.8	12.6	25.1	24.0	-4.5%
Total expenses	221.1	230.6	11.8	12.6	232.8	243.2	4.4%
Excess before transfers	\$ 15.0	\$ 8.8	\$ 1.2	\$ 0.5	\$ 16.2	\$ 9.3	
Transfers In	0.2	0.4	-	-	0.2	0.4	100.0%
Transfers out	-	-	(0.2)	(0.4)	(0.2)	(0.4)	100.0%
Total transfers	0.2	0.4	(0.2)	(0.4)	-	-	0.0%
Increase in net position	\$ 15.2	\$ 9.2	\$ 1.0	\$ 0.1	\$ 16.2	\$ 9.3	-42.4%
Net Position - Beginning	\$ 31.2	\$ 46.4	\$ (1.5)	\$ (0.5)	\$ 29.7	\$ 45.9	12.3%
Net Position - Ending	\$ 46.4	\$ 55.7	\$ (0.5)	\$ (0.4)	\$ 45.9	\$ 55.3	20.3%

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.

previous fiscal year. Total revenues increased by 1.4% over the prior period driven largely by increases in State revenues, up 4.0% or \$3.5 million over the prior year. Total expenses increased by 4.4% over the prior year with increases in Pupil and Instructional Services of 14.5% or \$3 million. Administrative and Business expenditures were also up by 17.6% or \$4.6 million.

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2017

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 36%. 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.

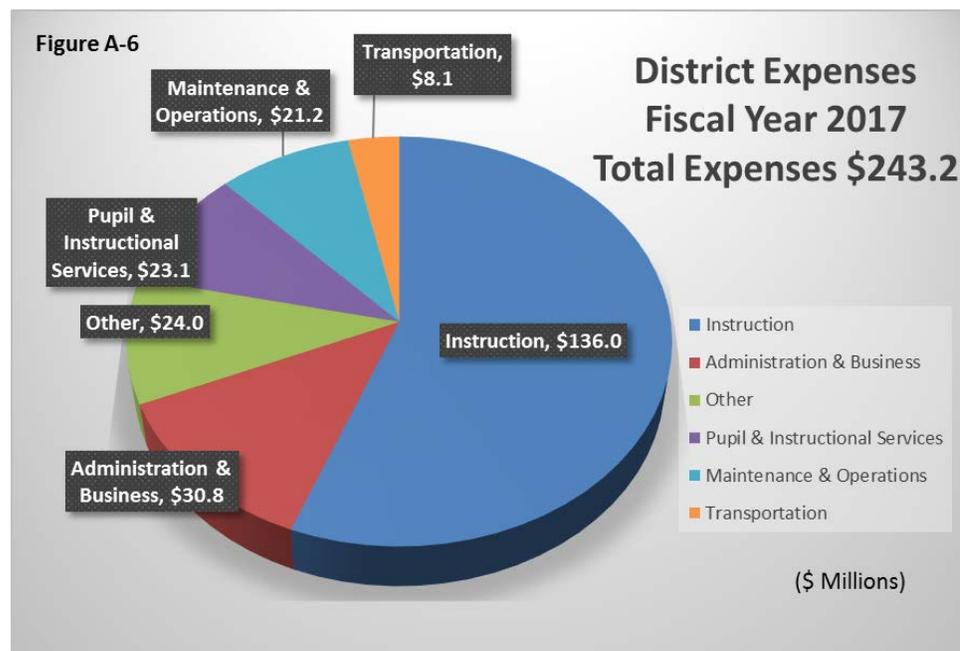
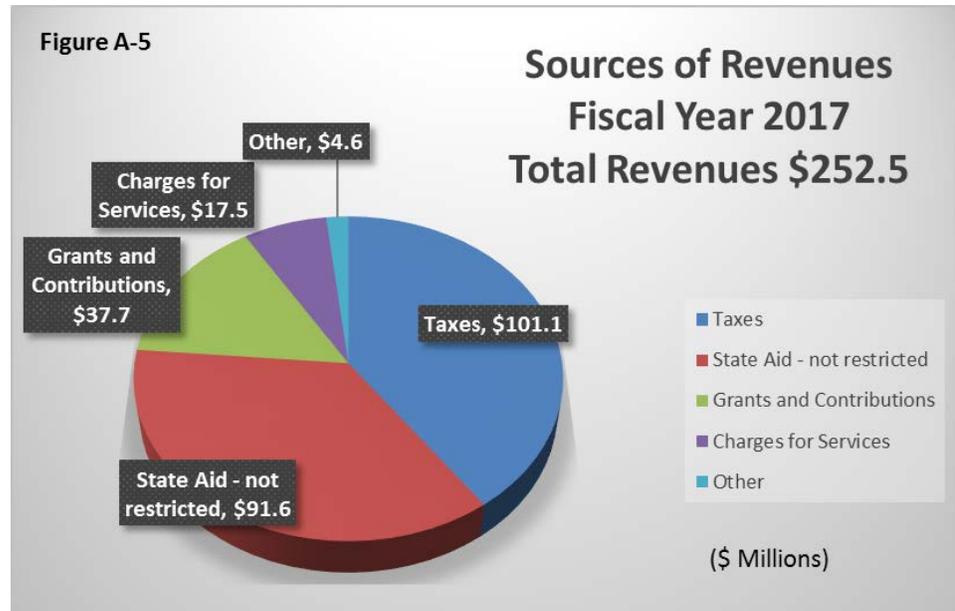
The "Other" expense category is represented by Investments in community services, interest on long term debt and AEA flow through.

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.

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 (excluding TIF) increased slightly from \$4.99 billion to \$5.00 billion for FY2017. Overall property tax valuation trends over the past ten years show an average annual increase of 2.0%.



Cedar Rapids Community School District

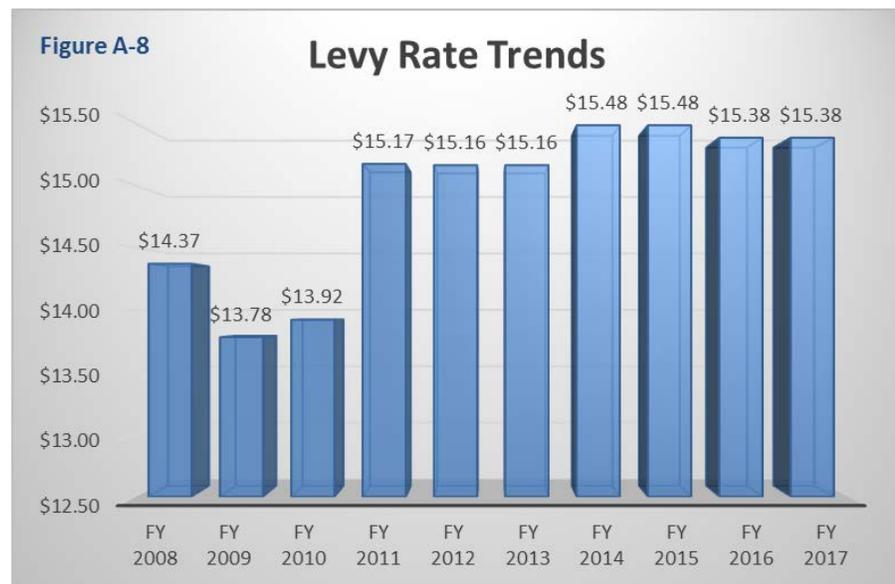
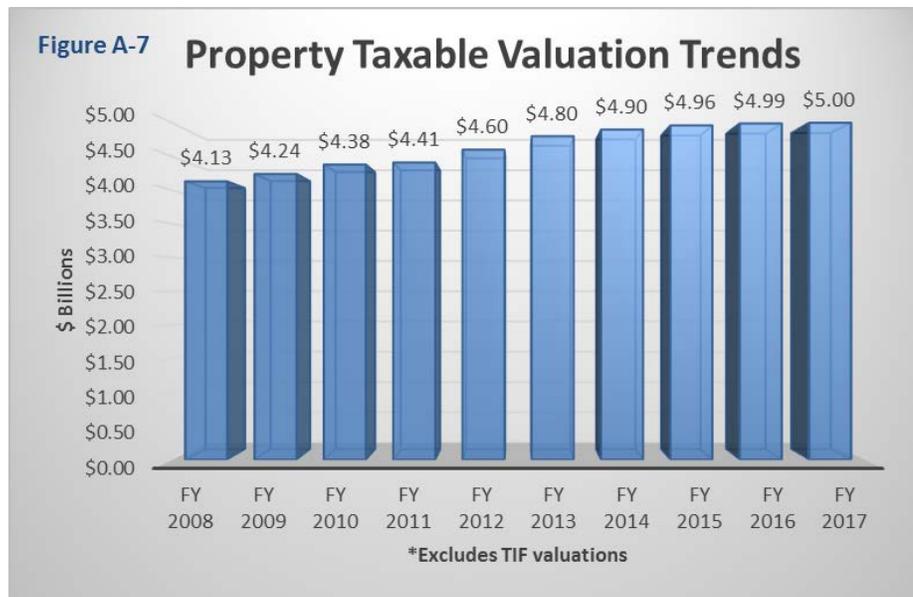
Management's Discussion and Analysis For Fiscal Year Ended June 30, 2017

Levy rate trends are depicted in **Figure A-8**. Levy rates, defined as dollars per \$1,000 of taxable valuation have increased since fiscal year 2009 but have been relatively stable with no change in rate in fiscal year 2017 from the previous year. The District provided property tax relief through the use of \$4 million in revenues from the Secure an Advanced Vision for Education (SAVE) fund. The use of these funds allowed the District to buy down the tax levy rate by approximately \$0.80.

Upward pressure upon the tax levy rate has been caused through the use of the General Fund cash reserve levy. The cash reserve levy has been used to replenish fund reserves due to past across the board State Aid reductions as well as to fully fund spending authority in our special services and ELL programs.

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

- The cost of all governmental activities this year was \$230.6 million.
- Some of the cost was financed by the users of the District's programs, (\$10.1 million).
- The federal and state governments as well as local sources, subsidized certain programs with grants and contributions, (\$31.9 million).



Cedar Rapids Community School District

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2017**

- Most of the District’s governmental activities costs however, were financed by District and state taxpayers with \$101.1 million in local and state taxes and \$91.6 million in unrestricted state aid based

**Figure A-9
Net Cost of Governmental Activities (in millions of dollars)**

	<u>Total Cost of Services</u>		<u>Percentage Change</u>	<u>Net Cost of Services</u>		<u>Percentage Change</u>
	<u>2016</u>	<u>2017</u>	<u>2016-2017</u>	<u>2016</u>	<u>2017</u>	<u>2016-2017</u>
Instruction	\$132.5	\$136.0	2.6 %	\$ 99.3	\$ 103.4	4.1 %
Pupil & Instructional Services	20.1	23.1	14.5	19.5	22.4	14.7
Administrative & Business	26.2	30.8	17.6	26.0	30.6	17.8
Maintenance & operations	20.5	21.2	3.5	20.5	21.2	3.3
Transportation	8.4	8.1	-3.2	8.3	8.0	-3.0
Other	13.4	11.4	-14.7	4.9	2.4	-50.5
Total	\$ 221.1	\$ 230.6	4.3 %	\$ 178.5	\$ 188.0	5.3 %

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.

on the statewide education aid formula as well as other state funding sources.

Business-Type Activities

- Business revenues held steady at \$13 million in both FY2017 and in FY2016. Charges for services were \$7.3 million with Operating grants and contributions, (federal and state subsidies) at \$5.7 million.
- Business expenses increased to \$12.6 million in FY2017 up from \$11.8 million in FY2016. 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

Business-Type Fund Highlights

Nutrition Services Fund: The funds Net position was \$733,918 at June 30, 2017 down slightly from \$760,208 at June 30, 2016. Sound business practices in aligning meal pricing to reflect all costs of operations continues to be a major focus of program management. Vigilance over the renewal of the program’s aging equipment will also continue to be an important focus. Currently, the program has equipment with a net value of \$0.88 million.

Other Highlights of the Food and Nutrition Fund include:

- Nearly 46,000 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.
- Meal prices were increased for FY2017 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 the increase costs for food and labor. The Food and Nutrition Department increased breakfast prices by \$0.05 and lunch prices increased \$0.05 for both elementary and secondary schools.

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2017

- In September of 2015, four (4) buildings were enrolled in CEP: Polk AEC, Taylor, Johnson and Metro High School. In 2016-2017, expanded to six (6) additional buildings: Garfield, Harrison, Hoover, Kenwood, Van Buren and Wright. Through the CEP program we realized a 15% increase in breakfast and a 10% increase in student lunch participation overall.
- Almost 82,000 healthy snacks were served to the District's Preschool students throughout the school year.
- The Cedar Rapids Community School District served as sponsor of the Summer Food Service Program (SFSP) in partnership with Kids On Course University and Boys & Girls Club CR to provide over 22,600 breakfast and 29,000 lunch.
- The Food and Nutrition Department created a new partnership with the afterschool Kids on Course program in five (5) schools to offer healthy snacks.

Governmental Fund Highlights

Most District functions are financed through the governmental fund types, which include the General,

Figure A-10

General Fund Revenues by Source	FY 2017		FY 2016		Change
	Amount	Percent	Amount	Percent	
Local Sources					
Local Taxes	\$69,088,417	34.2%	\$70,824,111	35.8%	-2.5%
Tuition	4,392,344	2.2%	4,685,211	2.6%	-6.3%
Student Fees and Activities	688,856	0.3%	590,822	0.3%	16.6%
Investment Earnings	46,294	0.0%	22,021	0.0%	110.2%
Other Local Sources	3,193,193	1.6%	3,333,804	1.8%	-4.2%
State Sources					
State Foundation Aid	84,269,010	41.7%	80,904,052	37.5%	4.2%
Salary Improvement Program	9,433,835	4.7%	9,169,285	4.6%	2.9%
Other State Aid	21,739,432	10.8%	21,827,364	7.4%	-0.4%
Federal Sources					
Title I	3,546,938	1.8%	3,553,890	2.4%	-0.2%
Other Federal Aid	5,478,815	2.7%	5,571,605	7.5%	-1.7%
Total Revenues	\$201,877,134	100.0%	\$200,482,165	100.0%	0.7%
Other Financing Sources	2,584,513		2,546,164		1.5%
Grand Total Resources	\$204,461,647		\$203,028,329		0.7%

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 are 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 0.7%, or \$1.4 million in FY2017. A decline of \$1.7 million in local property taxes was more than offset with an increase of \$3.4 million in State Foundation Aid over the previous fiscal year.

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2017

General Fund expenditures by function for fiscal years 2016 and 2017 are summarized in **Figure A-11**. Overall expenditures increased by \$4.5 million or 2.3% over the previous year reflecting careful budget reduction planning. Noteworthy changes are an increase of 2.8% or \$3.5 million in Instruction and a decrease of 3.4% or \$0.2 million in Business Services.

General Fund Expenditures by Function	FY 2017		FY 2016		Change
	Amount	Percent	Amount	Percent	
Instruction	\$128,505,151	64.7 %	\$124,960,105	68.3 %	2.8 %
Student Support Services	5,662,054	2.9	5,503,668	2.7	2.9
Instructional Staff Support Services	14,564,654	7.3	14,315,160	3.4	1.7
General Administration	4,087,597	2.1	3,763,421	1.4	8.6
School Administration	13,070,596	6.6	12,789,691	6.4	2.2
Business Services	5,051,101	2.5	5,227,775	2.9	-3.4
Operations and Maintenance	14,457,500	7.3	14,431,557	8.2	0.2
Student Transportation	5,873,266	3.0	5,833,771	2.7	0.7
AEA Support - Direct to AEA	7,396,246	3.7	7,319,340	3.9	1.1
Total Expenditures	\$198,668,165	100.0 %	\$194,144,488	100.0 %	2.3 %
Other Financing Uses	77,167		281,416		100.0
Total Expenditures and Uses	\$198,745,332		\$194,425,904		2.2 %

Figure A-12 provides a comparison of the Original budget, Re-estimated budget and Actual revenues and expenditures in the General Fund for fiscal year 2017. Overall, Original and Re-estimated budget amounts were very close to actual results. Re-estimated budget revenues were only 0.2% off from actual revenues while Re-estimated budget expenditures were only 1.2% off from actual expenditures. Noteworthy variances within the revenue Re-estimate budget category were tuition, running 15% lower than budget and Other local sources, running 29% higher than budget. Noteworthy variances within the expenditure re-estimate budget category were Student Support services running 8.3% higher than budget and Business Services at 10% below budget.

All Other Governmental Funds

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

In addition to the General Fund, which is automatically included as a major fund, the District's most "significant" governmental and enterprise funds are also included. Significant, is determined by measuring the "value" of the fund's total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures and applying a 10% and 5% test. The ten percent test measures these values against all funds in the respective governmental or enterprise category. The five percent test measures these values against all governmental and enterprise funds combined. In addition, a fund may be considered major if the District believes that the fund is important to the users of its financial statements. As can be seen in **Figure A-13**, in addition to the General Fund, the PPEL Fund is also included in the "major funds" in the "Governmental Funds Group" for the reasons described here.

Cedar Rapids Community School District

Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017

Figure A-12
Fiscal Year 2017 - General Fund Budget and Actual Comparison

	Budget Original	Budget Re- estimated	Original to Re- estimated % Variance	Actual	Re-estimated to Actual % Variance
Revenues					
Local Taxes	\$68,292,861	\$68,350,306	0.1%	\$69,088,417	1.1%
Tuition	4,780,000	5,192,154	8.6%	4,392,344	-15.4%
Other local sources	3,100,000	3,044,127	-1.8%	3,928,343	29.0%
State sources	116,244,738	115,400,478	-0.7%	115,442,277	0.0%
Federal sources	8,417,910	9,578,469	13.8%	9,025,753	-5.8%
Total Revenues	\$200,835,509	\$201,565,534	0.4%	\$201,877,134	0.2%
Other Financing Sources	2,490,876	2,550,376	2.4%	2,584,513	1.3%
Total Revenues & other sources	\$203,326,385	\$204,115,910	0.4%	\$204,461,647	0.2%
Expenditures					
Instruction	\$129,735,762	\$131,874,274	1.6%	\$128,505,151	-2.6%
Student Support Services	\$5,308,141	\$5,230,348	-1.5%	5,662,054	8.3%
Instructional Staff Support Services	\$15,887,886	\$15,451,829	-2.7%	14,564,654	-5.7%
General Administration	\$3,984,503	\$4,101,776	2.9%	4,087,597	-0.3%
School Administration	\$12,313,184	\$12,301,656	-0.1%	13,070,596	6.3%
Business Services	\$5,930,307	\$5,619,841	-5.2%	5,051,101	-10.1%
Operations and maintenance	\$13,745,095	\$13,403,393	-2.5%	14,457,500	7.9%
Student transportation	\$5,547,619	\$5,572,200	0.4%	5,873,266	5.4%
Community Services	-	-	-	-	-
AEA Support - Direct to AEA	\$8,101,652	7,396,246	-8.7%	7,396,246	0.0%
Total Expenditures	\$200,554,149	\$200,951,563	0.2%	\$198,668,165	-1.1%
Other Financing Uses	90,513	120,556	33.2%	77,167	-36.0%
Total Expenditures & Sources (Uses)	\$200,644,662	\$201,072,119	0.2%	\$198,745,332	-1.2%

Summary of Revenues

In the "All Other Governmental Funds" group as depicted in **Figure A-13**, the District experienced an increase of \$2.3 million in "Total Revenues" from the prior year (excluding other financing sources) but an

Figure A-13
All Other Governmental Funds, (Excluding General Fund)
Fiscal Year 2017 Revenues

Revenue Source	Major Fund					Other Governmental Funds			Dollar Change Previous Yr.
	PPEL	Activity Fund	Debt Service	Manage- ment	SAVE	Total	% of Total		
Local	\$8,882,356	\$3,466,505	\$ 129,026	\$7,878,375	\$ 120,534	\$20,476,796	38.8 %	\$ 2,179,225	
State	303,889	-	-	246,692	16,227,805	\$16,778,386	31.8	219,399	
Federal	-	-	578,038	-	25,727	\$ 603,765	1.1	(140,145)	
Total Revenues	\$9,186,245	\$3,466,505	\$ 707,064	\$8,125,067	\$16,374,066	\$37,858,947	71.7	\$ 2,258,479	
Bond Proceeds	-	-	-	-	-	\$ -	0.0	(15,470,560)	
Other Financing Sources	471,590	-	12,582,020	-	1,912,670	\$14,966,280	28.3	6,404,528	
Total Revenue & Other	\$9,657,835	\$3,466,505	\$13,289,084	\$8,125,067	\$18,286,736	\$52,825,227	100.0 %	\$ (6,807,553)	

overall revenue decrease of \$6.8 million when all sources are included. This was due to \$15.5 million in bond proceeds received in FY2016 compared with no bond proceeds in FY2017. The following points

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2017

highlight the significant changes from the previous year. (All figures compare total revenues including other financing sources.) .

- **Debt Services Fund** revenues were down \$11 million or 45% from the previous fiscal year reflecting bond proceeds of \$15.5 million from a debt refunding issuance during the previous fiscal year.
- **Management Fund** revenues were up \$2.7 million or 50% from the previous fiscal year reflecting a one year planned reduction in fund reserves in the prior fiscal year.

Expenditure Function	Major Fund		Other Governmental Funds				% of Total	% of Total	Dollar Change Previous Yr.	Percent Change Prev. Yr.
	PPEL	Activity Fund	Debt Service	Manage- ment	SAVE	Total				
Regular instruction	\$ -	\$ -	\$ -	\$ 3,462,711	\$ 371,242	\$ 3,833,953	7.0%	\$ (1,813,728)	-32.1%	
Other instruction	-	3,286,646	-	-	-	\$ 3,286,646	6.0%	(748,232)	-18.5%	
Student support services	-	-	-	-	-	\$ -	0.0%	-	-	
Instructional staff services	-	-	-	95,780	2,685,108	\$ 2,780,888	5.1%	2,135,573	330.9%	
General administration services	-	-	-	200,146	-	\$ 200,146	0.4%	(317)	-0.2%	
School administration services	-	-	-	592,929	298,550	\$ 891,479	1.6%	211,601	31.1%	
Business services	100,000	-	-	165,501	963,305	\$ 1,228,806	2.2%	502,982	69.3%	
Operations and maintenance	512,753	-	-	1,922,871	-	\$ 2,435,624	4.4%	419,509	20.8%	
Student transportation	928,906	-	-	555,609	-	\$ 1,484,515	2.7%	(437,474)	-22.8%	
Food Service	-	-	-	204,193	-	\$ 204,193	0.4%	(13,182)	-6.1%	
Community services	-	-	-	34,274	-	\$ 34,274	0.1%	774	2.3%	
Facilities/acquisition	7,659,864	-	-	42	1,371,865	\$ 9,031,771	16.5%	(445,348)	-4.7%	
Debt Service Principal	-	-	8,369,000	-	-	\$ 8,369,000	15.3%	4,659,000	125.6%	
Debt Service Interest	-	-	4,211,594	-	-	\$ 4,211,594	7.7%	(1,337,939)	-24.1%	
Bond Issuance Costs	-	-	-	-	-	\$ -	0.0%	(118,828)	-100.0%	
Total Expenditures	\$ 9,201,523	\$ 3,286,646	\$ 12,580,594	\$ 7,234,056	\$ 5,690,070	\$ 37,992,889	69.3%	\$ 3,014,391	8.6%	
Other Financing Uses	1,793,032	-	-	172,554	14,827,294	\$ 16,792,880	30.7%	(9,151,221)	-35.3%	
Total Expenditures & Other	\$ 10,994,555	\$ 3,286,646	\$ 12,580,594	\$ 7,406,610	\$ 20,517,364	\$ 54,785,769	100.0%	\$ (6,136,830)	-10.1%	

Summary of Expenditures

In the "All Other Governmental Funds" group, as depicted in **Figure A-14**, the District experienced a decrease of \$6.1 million or 10% 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 \$2.5 million or 29% over the previous fiscal period for ongoing commitments to District infrastructure repair and maintenance.
- **Debt Service Fund** expenditures decreased \$12.2 million or 49% below the previous period due entirely to expenditures related to a refunding bond transaction occurring during the previous period.
- **SAVE Fund** expenditures increased by \$4.4 million or 27% over the previous year due to increases in SAVE funded debt obligation payments.

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 \$5.7 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 an increase of \$0.9 million due largely to an increase in Management fund reserves of \$0.7 million.

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Ending balances within the **Capital Projects Funds**, (SAVE and PPEL) decreased by \$3.36 million in aggregate. This increase was due to a planned increase in PPEL spending related to a major HVAC investment at Grant Elementary School and an increase in SAVE spending related to increased debt payments.

Capital Asset and Debt Administration

Capital Assets

As indicated in **Figure A-16**, by the end of 2017, the District had invested, net of depreciation, \$200.5 million in a broad range of assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. This amount represents a slight decrease of 1.7% from the previous year. The

Figure A-15

Fund Balances	June 30, 2017	June 30, 2016	\$ Increase (Decrease)	% Increase (Decrease)
General Fund	\$31,362,308	\$25,645,993	\$5,716,315	22.3%
Special Revenue Funds*	6,381,521	5,483,205	898,316	16.4%
Capital Projects Funds**	12,163,336	15,730,684	(3,567,348)	-22.7%
Debt Service Fund	13,327,106	12,618,616	708,490	5.6%
Total	\$63,234,271	\$59,478,498	\$3,755,773	6.3%
*Special Revenue Funds				
Activity	\$1,431,587	\$1,251,728	\$179,859	14.4%
Management	4,949,934	4,231,477	718,457	17.0%
Total	\$6,381,521	\$5,483,205	\$898,316	16.4%
**Capital Projects Funds				
SAVE	\$5,996,820	\$8,227,448	(\$2,230,628)	-27.1%
PPEL	6,166,516	7,503,236	(1,336,720)	-17.8%
Total	\$12,163,336	\$15,730,684	(\$3,567,348)	-22.7%

District saw decreases in Buildings and Equipment, while seeing an increase of 13% in Vehicles. There were no major District construction projects in FY2017 that would have had an impact of capital assets as in recent years past.

Since fiscal year 2000 when the District had \$64 million in capital assets net of depreciation, the District

Figure A-16

Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2016-2017
	2016	2017	2016	2017	2016	2017	
	Land	\$ 13.2	\$ 13.2	\$ -	\$ -	\$ 13.2	
Construction in progress	0.6	0.6	-	-	0.6	0.6	0.0%
Buildings	183.8	180.1	-	-	183.8	180.1	-2.0%
Equipment	1.9	1.9	1.0	0.9	2.9	2.8	-6.3%
Vehicles	3.4	3.9	-	-	3.4	3.9	13.3%
	\$ 203.0	\$ 199.6	\$ 1.0	\$ 0.9	\$204.0	\$200.5	-1.7%

Note: totals may not add due to rounding.

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2017

has added \$136 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 \$573.6 million in anticipated SAVE and other SAVE fund related revenues through December 31, 2029, the District has already expended and committed \$59.1 million for the purchase of technology equipment, \$248.7 million for infrastructure improvements, property leases, vehicle repair and non-instructional software, \$40 million to property tax relief and \$170.5 million in debt related obligations. 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 \$113.5 million in long debt outstanding compared to \$122.2 million in the previous fiscal year. This represents a decrease of 7% 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.

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, 2017 the District did not exceed its 5% legal debt margin. The District had \$113.5 million in debt applicable to the 5% statutory limit compared to a debt limit of \$433.8 million. Additional information

	Total School District		Total Percentage Change
	2016	2017	2016-2017
School refunding bonds	\$ 13,935,000	\$ 11,080,000	-20.5%
SAVE Revenue Bonds	94,723,000	89,209,000	-5.8%
QSCB	11,842,461	11,842,461	-
Bond Premium	1,697,790	1,345,624	-20.7%
Total	\$122,198,251	\$113,477,085	-7.1%

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2017

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.

Economic Factors and Next Year's Budgets and Rates

- The District's facilities master planning effort entitled Reimagine, Re-envision, and Reinvest continues into fiscal year 2018 with the culmination of a completed facilities master plan proposal to be submitted to the Board of Education for consideration on December 11, 2017. On September 12, 2016, the Board of Education approved a contract with RSP & Associates to provide professional services in facilitating the District's facilities master planning efforts. A Committee of approximately eight-five volunteers are involved in creating this plan.
- Fiscal Year 2018 compensation increases for all District staff average 1.7% compared to State Supplemental Aid (SSA) "new money" growth of 2.1%. Over eighty percent of the General Fund Budget is comprised of wage and benefit commitments. Changes in collective bargaining laws by the 2017 Iowa legislature played a significant role in arriving at a compensation increase that fits within overall State revenue growth.
- On August 11, 2017 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.
- State of Iowa tax revenues were flat in 2017 and are predicted to continue to be lower than expected when the FY2018 State budget was set. This could be a difficult situation for school funding in Iowa when the legislature sets the FY2019 per pupil funding levels in February 2018. Low to no growth in pupil funding could force another round of budget reductions for the District in FY2019.

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, 2017**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 68,074,633	\$ 4,346,096	\$ 72,420,729
Receivables:			
Taxes:			
Current year	535,632	-	535,632
Succeeding year	89,641,897	-	89,641,897
Other	324,506	476,651	801,157
Due from other governments	6,064,521	174,562	6,239,083
Internal balances	1,671,004	(1,671,004)	-
Inventories	259,138	70,194	329,332
Prepaid items	15,922	-	15,922
Total current assets	166,587,253	3,396,499	169,983,752
Noncurrent assets:			
Restricted cash and investments	13,494,362	-	13,494,362
Capital assets:			
Land and construction in progress	13,823,177	-	13,823,177
Depreciable assets	269,306,360	3,553,623	272,859,983
Less accumulated depreciation	(83,556,891)	(2,642,922)	(86,199,813)
Net capital assets	199,572,646	910,701	200,483,347
Total noncurrent assets	213,067,008	910,701	213,977,709
Total assets	379,654,261	4,307,200	383,961,461
Deferred Outflows of Resources			
Pension related amounts	30,176,324	1,474,408	31,650,732
Deferred amount on refunding	3,146,068	-	3,146,068
Total deferred outflows of resources	33,322,392	1,474,408	34,796,800

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	3,580,880	40,483	3,621,363
Accrued expenses, primarily salaries and benefits payable	17,971,872	269,723	18,241,595
Due to other governments	2,257,584	-	2,257,584
Accrued interest payable	1,784,417	-	1,784,417
Unearned revenue	293,752	183,645	477,397
Current portion of long-term obligations	11,846,458	-	11,846,458
Total current liabilities	37,734,963	493,851	38,228,814
Noncurrent liabilities,			
noncurrent portion of long-term obligations	225,407,283	5,437,299	230,844,582
Total liabilities	263,142,246	5,931,150	269,073,396
Deferred Inflows of Resources			
Property taxes	82,547,053	-	82,547,053
Income surtaxes	7,094,844	-	7,094,844
Pension related amounts	4,486,258	219,197	4,705,455
Total deferred inflows of resources	94,128,155	219,197	94,347,352
Net Position			
Net investment in capital assets	97,707,987	910,701	98,618,688
Restricted for:			
Categorical funding	3,807,407	-	3,807,407
Debt service	3,076,332	-	3,076,332
Student activities	1,431,587	-	1,431,587
Physical plant and equipment	6,166,516	-	6,166,516
School infrastructure	4,530,276	-	4,530,276
Unrestricted	(61,013,853)	(1,279,440)	(62,293,293)
Total net position (deficit)	\$ 55,706,252	\$ (368,739)	\$ 55,337,513

See notes to basic financial statements.

Cedar Rapids Community School District

**Statement of Activities
Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction:				
Regular instruction	\$ 71,654,881	\$ 2,771,835	\$ 11,877,663	\$ -
Special instruction	40,826,106	1,800,306	3,161,439	-
Vocational instruction	1,218,658	32,132	196,394	-
Other instruction	22,282,880	4,030,074	8,745,133	-
Total instruction	135,982,525	8,634,347	23,980,629	-
Support services:				
Student services	5,681,000	-	-	-
Instructional staff services	17,389,089	680,392	-	-
General administration services	10,765,228	-	-	-
School administration services	13,815,890	-	-	-
Business services	6,204,875	140,956	-	-
Operations and maintenance	21,214,740	-	-	-
Student transportation	8,102,173	81,106	10,535	-
Other support services, AEA flowthrough	7,396,246	-	7,396,246	-
Total support services	90,569,241	902,454	7,406,781	-
Noninstructional programs:				
Food services	204,193	-	-	-
Community services	41,524	592,372	-	-
Total noninstructional programs	245,717	592,372	-	-
Interest and issuance costs on long-term debt	3,809,709	-	578,038	-
Total governmental activities	230,607,192	10,129,173	31,965,448	-
Business-type activities				
Noninstructional programs:				
Daycare services	4,548,601	4,427,197	126,853	-
Nutrition services	8,010,051	2,893,895	5,598,240	-
Total business-type activities	12,558,652	7,321,092	5,725,093	-
Total school district	\$ 243,165,844	\$ 17,450,265	\$ 37,690,541	\$ -

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

Gain on disposal of capital assets

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
\$ (57,005,383)	\$ -	\$ (57,005,383)
(35,864,361)	-	(35,864,361)
(990,132)	-	(990,132)
(9,507,673)	-	(9,507,673)
<u>(103,367,549)</u>	<u>-</u>	<u>(103,367,549)</u>
(5,681,000)	-	(5,681,000)
(16,708,697)	-	(16,708,697)
(10,765,228)	-	(10,765,228)
(13,815,890)	-	(13,815,890)
(6,063,919)	-	(6,063,919)
(21,214,740)	-	(21,214,740)
(8,010,532)	-	(8,010,532)
-	-	-
<u>(82,260,006)</u>	<u>-</u>	<u>(82,260,006)</u>
(204,193)	-	(204,193)
550,848	-	550,848
<u>346,655</u>	<u>-</u>	<u>346,655</u>
(3,231,671)	-	(3,231,671)
<u>(188,512,571)</u>	<u>-</u>	<u>(188,512,571)</u>
-	5,449	5,449
-	482,084	482,084
-	487,533	487,533
<u>(188,512,571)</u>	<u>487,533</u>	<u>(188,025,038)</u>
69,579,547	-	69,579,547
8,190,048	-	8,190,048
15,811,584	-	15,811,584
7,523,491	-	7,523,491
91,632,494	-	91,632,494
167,046	-	167,046
219,661	4,122	223,783
4,217,013	70,052	4,287,065
477,417	(477,417)	-
<u>197,818,301</u>	<u>(403,243)</u>	<u>197,415,058</u>
9,305,730	84,290	9,390,020
46,400,522	(453,029)	45,947,493
<u>\$ 55,706,252</u>	<u>\$ (368,739)</u>	<u>\$ 55,337,513</u>



Fund Financial Statements



Cedar Rapids Community School

**Balance Sheet
Governmental Funds
June 30, 2017**

	General	Physical Plant and Equipment Levy	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 44,989,301	\$ 8,700,486	\$ 14,384,846	\$ 68,074,633
Receivables:				
Taxes:				
Current year	423,259	60,035	52,338	535,632
Succeeding year	69,673,012	9,343,906	10,624,979	89,641,897
Other	321,074	2,763	669	324,506
Due from other governments	4,226,573	3,263	1,834,685	6,064,521
Due from other funds	2,231,823	-	385,394	2,617,217
Inventories-supplies and materials	259,138	-	-	259,138
Restricted cash and investments	-	-	13,494,362	13,494,362
Prepaid items	15,922	-	-	15,922
Total assets	\$ 122,140,102	\$ 18,110,453	\$ 40,777,273	\$ 181,027,828
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 846,611	\$ 2,295,502	\$ 438,767	\$ 3,580,880
Accrued expenditures, primarily salaries and benefits payable	17,975,474	-	2,651,791	20,627,265
Due to other governments	2,250,825	-	6,759	2,257,584
Due to other funds	26,986	304,529	614,698	946,213
Unearned revenue	4,886	-	288,866	293,752
Total liabilities	21,104,782	2,600,031	4,000,881	27,705,694
Deferred inflows of resources:				
Unavailable revenue - property taxes	62,578,168	9,343,906	10,624,979	82,547,053
Unavailable revenue - income surtaxes	7,094,844	-	-	7,094,844
Unavailable revenue - intergovernmental	-	-	445,966	445,966
Total deferred inflows of resources	69,673,012	9,343,906	11,070,945	90,087,863
Fund balances:				
Nonspendable	275,060	-	-	275,060
Restricted	3,807,407	6,166,516	23,808,920	33,782,843
Assigned	-	-	1,896,527	1,896,527
Unassigned	27,279,841	-	-	27,279,841
Total fund balances	31,362,308	6,166,516	25,705,447	63,234,271
Total liabilities, deferred inflows of resources and fund balances	\$ 122,140,102	\$ 18,110,453	\$ 40,777,273	\$ 181,027,828

See notes to basic financial statements.

Cedar Rapids Community School District

**Reconciliation of Total Governmental Fund Balances to Net Position of
Governmental Activities
June 30, 2017**

Total governmental fund balances		\$ 63,234,271
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	\$ 283,129,537	
Accumulated depreciation	<u>(83,556,891)</u>	199,572,646
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.		
		445,966
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	30,176,324	
Deferred inflows of resources	<u>(4,486,258)</u>	25,690,066
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	(112,131,461)	
Bond premiums	(1,345,624)	
Accrued interest on long-term debt	(1,784,417)	
Deferred amount on refunding	3,146,068	
Net pension liability	(111,283,899)	
Other postemployment benefits	(5,217,812)	
Compensated absences (vacations)	(851,065)	
Early retirement payable	<u>(3,768,487)</u>	<u>(233,236,697)</u>
Net position of governmental activities		<u>\$ 55,706,252</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, 2017**

	General	Physical Plant and Equipment Levy	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Local sources:				
Local taxes	\$ 69,088,417	\$ 8,582,741	\$ 7,621,928	\$ 85,293,086
Tuition	4,392,344	-	-	4,392,344
Other local sources	3,928,343	299,615	3,972,512	8,200,470
State sources	115,442,277	303,889	16,474,497	132,220,663
Federal sources	9,025,753	-	603,765	9,629,518
Total revenues	201,877,134	9,186,245	28,672,702	239,736,081
Expenditures:				
Current:				
Instruction:				
Regular instruction	75,698,032	-	3,833,953	79,531,985
Special instruction	32,665,039	-	-	32,665,039
Vocational instruction	1,214,838	-	-	1,214,838
Other instruction	18,927,242	-	3,286,646	22,213,888
Total instruction	128,505,151	-	7,120,599	135,625,750
Support services:				
Student services	5,662,054	-	-	5,662,054
Instruction staff services	14,564,654	-	2,780,888	17,345,542
General administration services	4,087,597	-	200,146	4,287,743
School administration services	13,070,596	-	891,479	13,962,075
Business services	5,051,101	100,000	1,128,806	6,279,907
Operations and maintenance	14,457,500	512,753	1,922,871	16,893,124
Student transportation	5,873,266	928,906	555,609	7,357,781
Other support services, AEA flowthrough	7,396,246	-	-	7,396,246
Total support services	70,163,014	1,541,659	7,479,799	79,184,472
Noninstructional programs:				
Food service	-	-	204,193	204,193
Community services	-	-	34,274	34,274
Total noninstructional programs	-	-	238,467	238,467
Debt service:				
Principal	-	-	8,369,000	8,369,000
Interest	-	-	4,211,594	4,211,594
Capital outlay, facilities acquisition	-	7,659,864	1,371,907	9,031,771
Total expenditures	198,668,165	9,201,523	28,791,366	236,661,054
Excess (deficiency) of revenues over expenditures	3,208,969	(15,278)	(118,664)	3,075,027
Other financing sources (uses):				
Proceeds on disposal of capital assets	-	-	203,329	203,329
Transfers in	2,584,513	471,590	14,291,361	17,347,464
Transfers out	(77,167)	(1,793,032)	(14,999,848)	(16,870,047)
Total other financing sources (uses)	2,507,346	(1,321,442)	(505,158)	680,746
Net change in fund balances	5,716,315	(1,336,720)	(623,822)	3,755,773
Fund balances at beginning of year	25,645,993	7,503,236	26,329,269	59,478,498
Fund balances at end of year	\$ 31,362,308	\$ 6,166,516	\$ 25,705,447	\$ 63,234,271

See notes to basic financial statements.

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, 2017**

Net change in fund balances, governmental funds	\$	3,755,773
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	\$	2,443,164
Depreciation expense		<u>(5,761,581)</u>
		(3,318,417)
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		(203,329)
Gain on disposal of capital assets		<u>167,046</u>
		(36,283)
In the statement of activities, certain operating expenses, compensated absences (vacations) and early retirement, are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, early retirement benefits earned were less than the prior year amount by \$1,235,195, and vacation earned was less than the prior year amount by \$9,295.		
		1,244,490
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.		
		(467,622)
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.		
Repayment of long-term liabilities		8,369,000
Amortization of deferred amount on refunding		(349,563)
Amortization of premiums		<u>352,166</u>
		8,371,603
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.		
		11,640,510
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		(11,969,541)
Increase in other postemployment benefits		<u>(314,065)</u>
		(12,283,606)
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.		
		<u>399,282</u>
Change in net position - governmental activities	\$	<u><u>9,305,730</u></u>

See notes to basic financial statements.

Cedar Rapids Community School District

**Statement of Net Position
Proprietary Funds
June 30, 2017**

	Business-Type Activities
	Total Nonmajor Proprietary Funds
<hr/>	
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,346,096
Other receivables	476,651
Due from other governments	174,562
Due from other funds	49,857
Inventories - supplies and materials	70,194
Total current assets	<u>5,117,360</u>
Noncurrent assets, furniture and equipment, net	910,701
Total assets	<u>6,028,061</u>
Deferred outflow of resources , pension related amounts	<u>1,474,408</u>
Liabilities	
Current liabilities:	
Accounts payable	40,483
Accrued expenses	269,723
Due to other funds	1,720,861
Unearned revenue	183,645
Total current liabilities	<u>2,214,712</u>
Noncurrent liability, net pension liability	5,437,299
Total liabilities	<u>7,652,011</u>
Deferred inflow of resources , pension related amounts	<u>219,197</u>
Net Position (Deficit)	
Investment in capital assets	910,701
Unrestricted deficit	<u>(1,279,440)</u>
Total net position (deficit)	<u><u>\$ (368,739)</u></u>

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, 2017**

	Business-Type Activities
	Total Nonmajor Proprietary Funds
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Operating revenues:	
Charges for services	\$ 7,321,092
Other	70,052
Total operating revenues	<u>7,391,144</u>
Operating expenses:	
Support services	13,115
Payroll costs	7,798,946
Purchased services	107,778
Supplies and materials	4,540,716
Depreciation	98,097
Total operating expenses	<u>12,558,652</u>
Operating (loss)	<u>(5,167,508)</u>
Nonoperating revenues (expenses):	
State sources	66,464
Federal sources	5,658,629
Interest income	4,122
Total nonoperating revenues	<u>5,729,215</u>
Income before transfers	<u>561,707</u>
Transfers in	77,167
Transfers out	(554,584)
	<u>(477,417)</u>
Change in net position	84,290
Net position (deficit), beginning of year	<u>(453,029)</u>
Net position (deficit), end of year	<u>\$ (368,739)</u>

See notes to basic financial statements.

Cedar Rapids Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2017**

	Business-Type Activities
	Total Nonmajor Proprietary Funds
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Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 2,543,956
Cash received from services	4,549,545
Cash received from miscellaneous operating activities	70,052
Cash payments to employees for services	(7,867,930)
Cash payments to suppliers for good and services	(4,239,120)
Net cash used in operating activities	<u>(4,943,497)</u>
Cash flows from noncapital financing activities:	
State lunch and breakfast reimbursements	66,464
Federal lunch and breakfast reimbursements	5,274,667
Transfers from other funds	77,167
Transfers to other funds	(554,584)
Proceeds from interfund accounts	537,027
Payments to interfund accounts	(120,857)
Net cash provided by noncapital financing activities	<u>5,279,884</u>
Cash flows from capital and related financing activities, acquisition of capital assets	<u>(13,706)</u>
Cash flows from investing activities, interest	<u>4,122</u>
Net increase in cash and cash equivalents	326,803
Cash and cash equivalents:	
Beginning	<u>4,019,293</u>
Ending	<u><u>\$ 4,346,096</u></u>
Reconciliation of operating (loss) to net cash used in operating activities:	
Operating (loss)	\$ (5,167,508)
Adjustments to reconcile operating (loss) to net cash used in operating activities:	
Depreciation expense	98,097
Commodities consumed	378,252
Changes in assets and liabilities:	
(Increase) in receivables, net	(223,011)
Decrease in inventories	30,363
(Decrease) in accounts payable and accrued expenses	(92,097)
Increase in net pension liability	1,052,978
(Increase) in deferred outflows of resources	(79,300)
(Decrease) in deferred inflows of resources	(936,691)
(Decrease) in unearned revenues	(4,580)
Net cash used in operating activities	<u><u>\$ (4,943,497)</u></u>
Noncash items, noncapital financing activities, federal commodities	<u><u>\$ 378,252</u></u>

See notes to basic financial statements.



Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2017

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 17,092. 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 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, 2017

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 and proprietary funds. 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.

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. All of the District's proprietary funds are aggregated and reported as nonmajor proprietary funds.

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, 2017

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, 2017

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, 2015 assessed property valuations; is for the tax accrual period July 1, 2016 through June 30, 2017 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2016.

The income surtax receivable represents the fiscal year 2017 levy which will be collected by the District in fiscal year 2018. Although the income surtax receivable has been recorded as of June 30, 2017, 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, 2018, 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, 2017, 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 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 received.

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 and the proprietary fund financial statements. 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, 2017

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, 2017, 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, 2017

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. The amounts related to intergovernmental revenue are deferred and recognized as an inflow of resources in the period that the amounts become available. In both the District's government-wide and governmental fund financial statements, property tax revenue and income surtaxes for the succeeding year are reported as a deferred inflow of resources and will become an inflow in the year they are levied and budgeted for.

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, 2017

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 \$8,466,358 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 \$4,530,276 for capital projects from the Secure an Advanced Vision for Education fund, \$6,166,516 for the physical plant and equipment levy, \$3,807,407 for categorical funding and \$3,076,332 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, 2017, the District held United States Treasury Notes of \$325,668 maturing on July 1, 2017 and \$4,433,902 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, 2017

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, 2017 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.

\$111,751 of the District's deposits in credit unions were exposed to custodial credit risk at June 30, 2017 as they were uninsured and uncollateralized.

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 inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include: a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in markets that are not active; and c) inputs other than quoted prices that are observable for the asset or liability, such as: (1) interest rates and yield curves observable at commonly quoted intervals; (2) implied volatilities and (3) credit spreads; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2017:

- U.S. Treasury securities of \$4,759,570 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	\$ 81,155,521
U.S. Treasury Notes	4,759,570
	<u>\$ 85,915,091</u>
Cash and cash equivalents	\$ 72,420,729
Restricted cash and investments	13,494,362
	<u>\$ 85,915,091</u>

Cedar Rapids Community School District

Notes to Basic Financial Statements

June 30, 2017

Note 3. Interfund Receivables and Payables

As of June 30, 2017, interfund receivables and payables were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 2,231,823	\$ 26,986
Physical plant and equipment levy fund	-	304,529
Nonmajor governmental funds	385,394	614,698
Total governmental funds	<u>2,617,217</u>	<u>946,213</u>
Nonmajor enterprise, proprietary funds	49,857	1,720,861
Total all funds	<u>\$ 2,667,074</u>	<u>\$ 2,667,074</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:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,584,513	\$ 77,167
Physical plant and equipment levy fund	471,590	1,793,032
Nonmajor funds, governmental funds	14,291,361	14,999,848
Nonmajor enterprise funds	77,167	554,584
	<u>\$ 17,424,631</u>	<u>\$ 17,424,631</u>

Transfers are used to (1) move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources and (2) use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2017**

Note 5. Capital Assets

Capital asset balances and activity for the year ended June 30, 2017 were as follows:

Governmental Activities	Balance June 30, 2016	Additions	Retirements and Transfers	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	\$ 13,181,180	\$ 89,958	\$ -	\$ 13,271,138
Construction-in-progress	600,231	813,945	862,137	552,039
Total capital assets, not being depreciated	<u>13,781,411</u>	<u>903,903</u>	<u>862,137</u>	<u>13,823,177</u>
Capital assets, being depreciated:				
Buildings and improvements	243,532,838	862,137	-	244,394,975
Furniture and equipment	13,196,143	220,078	73,763	13,342,458
Vehicles	10,966,919	1,319,183	717,175	11,568,927
Total capital assets, being depreciated	<u>267,695,900</u>	<u>2,401,398</u>	<u>790,938</u>	<u>269,306,360</u>
Less accumulated depreciation for:				
Buildings and improvements	59,713,051	4,594,511	-	64,307,562
Furniture and equipment	11,284,859	335,677	37,480	11,583,056
Vehicles	7,552,055	831,393	717,175	7,666,273
Total accumulated depreciation	<u>78,549,965</u>	<u>5,761,581</u>	<u>754,655</u>	<u>83,556,891</u>
Total capital assets, being depreciated, net	<u>189,145,935</u>	<u>(3,360,183)</u>	<u>36,283</u>	<u>185,749,469</u>
Governmental activities capital assets, net	<u>\$ 202,927,346</u>	<u>\$ (2,456,280)</u>	<u>\$ 898,420</u>	<u>\$ 199,572,646</u>

Business-Type Activities	Balance June 30, 2016	Additions	Retirements and Transfers	Balance June 30, 2017
Capital assets, being depreciated, furniture and equipment	\$ 3,563,664	\$ 13,706	\$ 23,747	\$ 3,553,623
Less accumulated depreciation	2,568,572	98,097	23,747	2,642,922
Business-type activities capital assets, net	<u>\$ 995,092</u>	<u>\$ (84,391)</u>	<u>\$ -</u>	<u>\$ 910,701</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 270,546
School administration services	215,356
Operations and maintenance	4,547,482
Student transportation	728,197
Total	<u>\$ 5,761,581</u>

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

Daycare	\$ 3,493
Nutrition services	94,604
Total	<u>\$ 98,097</u>

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2017**

Note 6. Bonded and Other Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2017 were as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds payable:					
Revenue bonds	\$ 106,565,461	\$ -	\$ (5,514,000)	\$ 101,051,461	\$ 5,540,000
School refunding G.O. bonds	13,935,000	-	(2,855,000)	11,080,000	2,800,000
Premiums	1,697,790	-	(352,166)	1,345,624	-
Total bonds payable	122,198,251	-	(8,721,166)	113,477,085	8,340,000
Other liabilities:					
Compensated absences	860,360	1,581,091	(1,590,386)	851,065	851,065
Other postemployment benefits	4,903,747	1,349,391	(1,035,326)	5,217,812	-
Early retirement payable - health	3,156,625	20,925	(978,873)	2,198,677	661,294
Early retirement payable - TSA	4,842,871	1,536,946	(2,154,614)	4,225,203	1,994,099
Net pension liability	90,185,555	21,098,344	-	111,283,899	-
Total long-term liabilities	<u>\$ 226,147,409</u>	<u>\$ 25,586,697</u>	<u>\$ (14,480,365)</u>	<u>\$ 237,253,741</u>	<u>\$ 11,846,458</u>
Business-Type Activities,					
net pension liability	<u>\$ 4,384,321</u>	<u>\$ 1,052,978</u>	<u>\$ -</u>	<u>\$ 5,437,299</u>	<u>\$ -</u>

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. Administrators 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, 2017

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

Early retirement benefits paid during the year ended June 30, 2017 totaled \$3,133,487, 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 \$657,694 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 \$1,994,099. 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 2016 with original issue amount of \$13,935,000 maturing through June 2021 with interest rate of 4.25 percent.

Year Ending June 30:	Principal	Interest	Total
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>\$ 11,080,000</u>	<u>\$ 1,343,000</u>	<u>\$ 12,423,000</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. Principal is \$11,842,461 due in 2028.

The 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 payment of \$4,500,000 is due July 1, 2018.

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 and \$43,425,000 of the outstanding School Infrastructure Sales, Service and Use Tax Revenue Bonds, Series 2011.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2017

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

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 \$129,883,616. For fiscal year 2017, the total principal and interest paid and total net revenues were \$9,052,184 and \$16,227,805, respectively.

Annual debt service requirements to service all outstanding revenue bonds as of June 30, 2017, are as follows:

Year Ending June 30:	Principal	Interest	Total
2018	\$ 5,540,000	\$ 3,381,104	\$ 8,921,104
2019	1,064,000	3,290,028	4,354,028
2020	7,426,000	3,227,937	10,653,937
2021	7,549,000	3,053,454	10,602,454
2022	7,767,000	2,875,509	10,642,509
2023 - 2027	35,038,000	10,304,663	45,342,663
2028 - 2030	36,667,461	2,699,460	39,366,921
	<u>\$ 101,051,461</u>	<u>\$ 28,832,155</u>	<u>\$ 129,883,616</u>

As of June 30, 2017, the District held \$13,494,362 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.

As of June 30, 2017, the District did not exceed its legal debt limit of \$433,802,805.

Note 7. Pension and Retirement Benefits

Plan description: IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through cost sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

- A multiplier (based on years of service).

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2017

Note 7. Pension and Retirement Benefits (Continued)

- 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.

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 2017, 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, 2017 were \$12,209,262.

Net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2017, the District reported a liability of \$116,721,198 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the District's collective proportion was 1.85469 percent, which was a decrease of 0.059493 percent from its proportion measured as of June 30, 2015.

Cedar Rapids Community School District

Notes to Basic Financial Statements

June 30, 2017

Note 7. Pension and Retirement Benefits (Continued)

For the year ended June 30, 2017, the District recognized pension expense of \$12,617,880. At June 30, 2017, 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	\$ 1,031,585	\$ (1,393,020)
Changes of assumptions	1,780,803	-
Net difference between projected and actual earnings on pension plan investments	16,629,082	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(3,312,435)
District contributions subsequent to the measurement date	12,209,262	-
Total	<u>\$ 31,650,732</u>	<u>\$ (4,705,455)</u>

\$12,209,262 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, 2018. 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,	
2018	\$ 1,127,909
2019	1,127,909
2020	8,123,868
2021	4,551,032
2022	(194,703)
Total	<u>\$ 14,736,015</u>

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2017**

Note 7. Pension and Retirement Benefits (Continued)

Actuarial assumptions: The total pension liability in the June 30, 2016 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, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

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
Core-plus fixed income	28%	1.90%
Domestic equity	24	5.85
International equity	16	6.32
Private equity/debt	11	10.31
Real estate	8	3.87
Credit opportunities	5	4.48
U.S. TIPS	5	1.36
Other real estate	2	6.42
Cash	1	(0.26)
	100%	

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2017

Note 7. Pension and Retirement Benefits (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent which did not change from the prior measurement date. 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	\$ 188,839,104	\$ 116,721,198	\$ 55,852,743

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the pension plan: At June 30, 2017, the District reported payables to the defined benefit pension plan of \$1,107,199 for legally required employer contributions and \$737,719 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 33rd Avenue SW, Cedar Rapids, Iowa, 52404.

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2017**

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

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 \$1,035,326, net of retiree premiums paid to the District in 2017.

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 2017 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, 2015	\$ 1,802,414	83.6%	\$ 4,576,786
June 30, 2016	1,671,775	80.4	4,903,747
June 30, 2017	1,349,391	76.7	5,217,812

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2017**

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

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	\$ 1,933,589
Interest on net OPEB obligation	196,150
Adjustment to annual required contribution	<u>(780,348)</u>
Annual OPEB cost (expense)	1,349,391
Contributions	<u>(1,035,326)</u>
Increase in net OPEB obligation	314,065
Net OPEB obligation, beginning of year	<u>4,903,747</u>
Net OPEB obligation, end of year	<u><u>\$ 5,217,812</u></u>

Funded status and funding progress: The results of the July 1, 2015 valuation were rolled forward to June 30, 2017. The funded status of the plan as of June 30, 2017, was as follows:

Actuarial accrued liability (AAL)	\$ 11,535,917
Actuarial value of plan assets	<u>-</u>
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)	\$ 139,064,222
UAAL as a percentage of covered payroll	8.30%

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.

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.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2017

Note 9. Commitments

Total outstanding contractual commitments for construction projects at June 30, 2017 for the Physical Plant and Equipment Levy Fund was \$3,532,106, and for the Secure an Advanced Vision for Education Fund was \$338,979.

The District had encumbrances in the General Fund and Nonmajor Governmental Funds of \$1,434,317, and \$7,434,776, 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 \$7,396,246 for the year ended June 30, 2017. The District's budgeted and actual share is included in these financial statements.

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, 2017 the District, an active member of MIIP, has a negative equity balance with MIIP of approximately \$4.6 million. The District's contribution to the program for the year ended June 30, 2017 was \$12,100,594. MIIP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Metro Interagency Insurance Program, 1120 33rd Avenue SW, Cedar Rapids, Iowa, 52404.

Cedar Rapids Community School District

Notes to Basic Financial Statements

June 30, 2017

Note 13. Contingencies

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.

Note 14. Tax Abatements

GASB Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement that has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2017 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Cedar Rapids	Urban Renewal and economic development	\$ 619,356
City of Marion	Urban Renewal and economic development	50,040
City of Hiawatha	Urban Renewal and economic development	184,413
		<u>\$ 853,809</u>

The state of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2017, this reimbursement amounted to \$339,460.

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2017**

Note 15. 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	Physical Plant and Equipment Levy	Nonmajor Governmental	Total
Nonspendable:				
Inventories	\$ 259,138	\$ -	\$ -	\$ 259,138
Prepays	15,922	-	-	15,922
Total nonspendable	275,060	-	-	275,060
Restricted:				
Categorical funding	3,807,407	-	-	3,807,407
Debt service	-	-	13,327,106	13,327,106
Management levy purposes	-	-	4,949,934	4,949,934
Student activities	-	-	1,431,587	1,431,587
Physical plant and equipment	-	6,166,516	-	6,166,516
School infrastructure	-	-	4,100,293	4,100,293
Total restricted	3,807,407	6,166,516	23,808,920	33,782,843
Assigned,				
School infrastructure	-	-	1,896,527	1,896,527
Unassigned				
Total fund balances	\$ 31,362,308	\$ 6,166,516	\$ 25,705,447	\$ 63,234,271

Note 16. Pending Governmental Accounting Standards Board (GASB) Pronouncements

The GASB has issued statements not yet implemented by the District. The District's management has determined the implementation of GASB Statement No. 75 will have a significant impact on the District's financial statements but has not yet determined the effect that Statement Nos. 84, 85, 86 and 87 will have on the District's financial statements. However, the District plans to implement the standards by the required date. The Statements which may 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, 2017

Note 16. Pending Governmental Accounting Standards Board (GASB) Pronouncements (Continued)

GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the District beginning with its fiscal year ending June 30, 2020. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 85, *Omnibus 2017*, issued March 2017, will be effective for the District beginning with its fiscal year ending June 30, 2018. Statement No. 85 is designed to address the practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2017, will be effective for the District beginning with its fiscal year ending June 30, 2018. Statement No. 86 is designed to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also requires the inclusion of any remaining prepaid insurance related to extinguished debt in the net carrying amount of the debt when calculating the difference between the reacquisition price and the net carrying amount of the debt for debt that is extinguished through a legal extinguishment or an in-substance defeasance. This Statement also improves notes to financial statements for debt that is defeased in substance.

Cedar Rapids Community School District

Notes to Basic Financial Statements

June 30, 2017

**Note 16. Pending Governmental Accounting Standards Board (GASB) Pronouncements
(Continued)**

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2021, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the District must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

Required Supplementary Information





Cedar Rapids Community School District

**Required Supplementary Information
Budgetary Comparison Schedule
All Governmental Funds and Proprietary Funds
Year Ended June 30, 2017**

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
Revenues:			
Local sources	\$ 97,885,900	\$ 7,395,266	\$ 105,281,166
State sources	132,220,663	66,464	132,287,127
Federal sources	9,629,518	5,658,629	15,288,147
Total revenues	239,736,081	13,120,359	252,856,440
Expenditures:			
Instruction	135,625,750	2,329	135,628,079
Support services	71,788,226	1,004,475	72,792,701
Noninstructional programs	238,467	11,551,848	11,790,315
Other expenditures, including AEA flowthrough	29,008,611	-	29,008,611
Total expenditures	236,661,054	12,558,652	249,219,706
Excess of revenues over expenditures	3,075,027	561,707	3,636,734
Other financing sources (uses):			
Sale of capital assets	203,329	-	203,329
Transfers in	17,347,464	77,167	17,424,631
Transfers out	(16,870,047)	(554,584)	(17,424,631)
Total other financing sources (uses)	680,746	(477,417)	203,329
Net change in fund balances/net position	3,755,773	84,290	3,840,063
Fund balance/net position, beginning	59,478,498	(453,029)	59,025,469
Fund balance/net position, ending	\$ 63,234,271	\$ (368,739)	\$ 62,865,532

See note to required supplementary information.

Budget Amounts		Variances Over (Under)	
Original	Final	Original to Final	Final to Actual
\$ 105,156,155	\$ 105,382,414	\$ 226,259	\$ (101,248)
130,944,052	130,405,678	(538,374)	1,881,449
15,591,156	16,497,871	906,715	(1,209,724)
251,691,363	252,285,963	594,600	570,477
139,591,801	153,726,693	(14,134,892)	(18,098,614)
67,698,035	76,360,497	(8,662,462)	(3,567,796)
12,352,530	13,212,956	(860,426)	(1,422,641)
27,245,254	35,943,218	(8,697,964)	(6,934,607)
246,887,620	279,243,364	(32,355,744)	(30,023,658)
4,803,743	(26,957,401)	(31,761,144)	30,594,135
20,000	169,224	149,224	34,105
16,240,478	18,220,021	1,979,543	(795,390)
(16,240,478)	(18,220,021)	(1,979,543)	795,390
20,000	169,224	149,224	34,105
4,823,743	(26,788,177)	(31,611,920)	30,628,240
53,629,042	27,635,551	25,993,491	(31,389,918)
\$ 58,452,785	\$ 847,374	\$ (57,605,411)	\$ 62,018,158

Cedar Rapids Community School District

Note to Required Supplementary Information Budgetary Comparison Schedule

Note 1. Basis of Presentation

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

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

Between January and March of each year, all departments of the District must submit budget requests to the Executive Director of Business Services so that the budget for the next fiscal year may be prepared. The budget is prepared by fund, function, program, object and facility and is presented in the 2016-17 Budget document. The 2016-17 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 2016-17, amendments increased the instructional functional area by \$14,134,892, increased total support services by \$8,662,462, increased the non-instructional programs by \$860,426 and other expenditures were increased by \$8,697,964 which is a 13.11 percent increase. 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
2017	\$ 12,209,262	\$ 12,209,262	\$ -	\$ 137,124,815	8.90%
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

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**

	For Fiscal Year June 30,		
	2017	2016	2015
District's proportion of the net pension liability	1.8546850%	1.9141825%	1.9645219%
District's proportionate share of the net pension liability	\$ 116,721,198	\$ 94,569,876	\$ 77,911,095
District's covered-employee payroll	133,270,715	131,340,698	128,598,425
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	87.58%	72.00%	60.58%
Plan fiduciary net position as a percentage of the total pension liability	81.82%	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

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

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]
7/1/2011	\$ -	\$ 15,068,320	\$ 15,068,320	- %	\$ 100,659,732	14.97%
7/1/2013	-	13,385,990	13,385,990	-	130,516,081	10.26
7/1/2015	-	11,535,917	11,535,917	-	135,538,471	8.51

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:

- a. The actuarial method used to determine the ARC is the entry age actuarial cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: (1) 4 percent investment rate of return and (2) an annual health care cost trend rate of 6 percent.
- d. 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, 2017**

	Actual
Revenues:	
Local sources:	
Property taxes	\$ 58,544,675
Utility tax replacement excise tax	3,020,251
Income surtax	7,523,491
Tuition	4,392,344
Transportation	81,106
Investment earnings	46,294
Student activities	169,670
Fees and rents	438,080
Sales of services	1,372,764
Other	1,820,429
Total local sources	77,409,104
State sources:	
Foundation aid	84,269,010
Preschool foundation aid	1,730,065
Salary improvement program	9,433,835
AEA flowthrough	7,396,246
Nonpublic aid	864,171
Iowa Early Intervention Block grant	1,215,564
At-risk grants	1,212,233
Miscellaneous state grants	7,325,578
Other	1,995,575
Total state sources	115,442,277
Federal sources:	
Title I grants	3,546,938
Carl Perkins grant	193,273
Title II grants	600,755
Individuals with Disabilities Education Act	934,749
Medicaid direct reimbursement	3,149,480
Other	600,558
Total federal sources	9,025,753
Total revenues	201,877,134

(Continued)

Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Major Fund - General
Year Ended June 30, 2017

	Actual
Expenditures:	
Instruction:	
Regular instruction:	
Salaries	\$ 52,977,866
Employee benefits	10,878,229
Purchased services	8,922,485
Supplies	2,538,082
Capital outlay	347,221
Other	34,149
	<u>75,698,032</u>
Special instruction:	
Salaries	23,590,124
Employee benefits	4,975,730
Purchased services	3,751,633
Supplies	231,027
Capital outlay	114,095
Other	2,430
	<u>32,665,039</u>
Vocational instruction:	
Salaries	881,879
Employee benefits	182,624
Purchased services	16,658
Supplies	67,960
Capital outlay	57,370
Other	8,347
	<u>1,214,838</u>
Other instruction:	
Salaries	13,696,852
Employee benefits	2,690,681
Purchased services	1,568,557
Supplies	827,326
Capital outlay	109,289
Other	34,537
	<u>18,927,242</u>
Total instruction	<u>128,505,151</u>

(Continued)

Cedar Rapids Community School District

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

**Major Fund - General
Year Ended June 30, 2017**

	Actual
Support services:	
Student services:	
Salaries	\$ 4,545,732
Employee benefits	919,207
Purchased services	170,816
Supplies	20,707
Capital outlay	3,639
Other	1,953
	<u>5,662,054</u>
Instruction staff services:	
Salaries	10,931,786
Employee benefits	2,150,101
Purchased services	776,044
Supplies	541,579
Capital outlay	162,656
Other	2,488
	<u>14,564,654</u>
General administration services:	
Salaries	2,502,878
Employee benefits	620,628
Purchased services	832,711
Supplies	89,077
Capital outlay	7,266
Other	35,037
	<u>4,087,597</u>
School administration services:	
Salaries	9,920,917
Employee benefits	2,879,207
Purchased services	131,598
Supplies	93,690
Capital outlay	8,022
Other	37,162
	<u>13,070,596</u>
Business services:	
Salaries	3,263,553
Employee benefits	876,382
Purchased services	458,822
Supplies	409,794
Capital outlay	7,615
Other	34,935
	<u>5,051,101</u>

(Continued)

Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Major Fund - General
Year Ended June 30, 2017

	Actual
Support services (continued):	
Operations and maintenance:	
Salaries	\$ 6,689,817
Employee benefits	2,513,414
Purchased services	1,063,373
Supplies	4,157,361
Capital outlay	31,635
Other	1,900
	<u>14,457,500</u>
Student transportation:	
Salaries	3,476,948
Employee benefits	688,440
Purchased services	893,023
Supplies	779,631
Capital outlay	35,224
	<u>5,873,266</u>
Total support services	<u>62,766,768</u>
Other expenditures, AEA flow-through	<u>7,396,246</u>
Total expenditures	<u>198,668,165</u>
Excess of revenues over expenditures	<u>3,208,969</u>
Other financing sources (uses):	
Transfers in	2,584,513
Transfers out	(77,167)
Total other financing sources	<u>2,507,346</u>
Net change in fund balance	5,716,315
Fund balance, beginning of year	<u>25,645,993</u>
Fund balance, end of year	<u><u>\$ 31,362,308</u></u>

Nonmajor Governmental Funds

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

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





Cedar Rapids Community School District

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017**

	Special Revenue	
	Student Activity	Management
Assets		
Cash and cash equivalents	\$ 1,515,006	\$ 7,646,569
Receivables:		
Taxes:		
Current year	-	52,338
Succeeding year	-	8,624,992
Other	169	500
Due from other governments	-	716
Due from other funds	-	-
Restricted cash	-	-
	<u>1,515,175</u>	<u>16,325,115</u>
Total assets	\$ 1,515,175	\$ 16,325,115
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 32,520	\$ 75,354
Accrued expenditures, primarily salaries and benefits payable	-	2,651,791
Due to other governments	-	6,759
Due to other funds	51,068	16,285
Unearned revenue	-	-
	<u>83,588</u>	<u>2,750,189</u>
Total liabilities	83,588	2,750,189
Deferred inflows of resources,		
Unavailable revenue - property taxes	-	8,624,992
Unavailable revenue - intergovernmental	-	-
	<u>-</u>	<u>8,624,992</u>
Total deferred inflows of resources	-	8,624,992
Fund balances:		
Restricted	1,431,587	4,949,934
Assigned	-	-
	<u>1,431,587</u>	<u>4,949,934</u>
Total fund balances	1,431,587	4,949,934
Total liabilities, deferred inflows of resources and fund balance	\$ 1,515,175	\$ 16,325,115

Debt Service	Capital Project Secure an Advanced Vision for Education	Total Nonmajor Governmental Funds
\$ 121,610	\$ 5,101,661	\$ 14,384,846
-	-	52,338
1,999,987	-	10,624,979
-	-	669
-	1,833,969	1,834,685
-	385,394	385,394
<u>13,494,362</u>	<u>-</u>	<u>13,494,362</u>
<u>\$ 15,615,959</u>	<u>\$ 7,321,024</u>	<u>\$ 40,777,273</u>
\$ -	\$ 330,893	\$ 438,767
-	-	2,651,791
-	-	6,759
-	547,345	614,698
288,866	-	288,866
<u>288,866</u>	<u>878,238</u>	<u>4,000,881</u>
1,999,987	-	10,624,979
-	445,966	445,966
<u>1,999,987</u>	<u>445,966</u>	<u>11,070,945</u>
13,327,106	4,100,293	23,808,920
-	1,896,527	1,896,527
<u>13,327,106</u>	<u>5,996,820</u>	<u>25,705,447</u>
<u>\$ 15,615,959</u>	<u>\$ 7,321,024</u>	<u>\$ 40,777,273</u>

Cedar Rapids Community School District

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017**

	Special Revenue	
	Student Activity	Management
Revenues:		
Local sources:		
Local taxes	\$ -	\$ 7,621,928
Other local sources	3,466,505	256,447
State sources	-	246,692
Federal sources	-	-
Total revenues	3,466,505	8,125,067
Expenditures:		
Current:		
Instruction:		
Regular instruction	-	3,462,711
Other instruction	3,286,646	-
Total instruction	3,286,646	3,462,711
Support services:		
Instruction staff services	-	95,780
General administration services	-	200,146
School administration services	-	592,929
Business services	-	165,501
Operations and maintenance	-	1,922,871
Student transportation	-	555,609
Total support services	-	3,532,836
Noninstructional programs:		
Food service	-	204,193
Community services	-	34,274
Total noninstructional programs	-	238,467
Debt service:		
Principal	-	-
Interest	-	-
Capital outlay, facilities acquisition	-	42
Total expenditures	3,286,646	7,234,056
Excess (deficiency) of revenues (under) expenditures	179,859	891,011
Other financing sources (uses):		
Proceeds on disposal of capital assets	-	-
Transfers in	-	-
Transfers out	-	(172,554)
Total other financing sources (uses)	-	(172,554)
Net changes in fund balances	179,859	718,457
Fund balance, beginning of year	1,251,728	4,231,477
Fund balance, end of year	\$ 1,431,587	\$ 4,949,934

Debt Service	Capital Project Secure an Advanced Vision for Education	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 7,621,928
129,026	120,534	3,972,512
-	16,227,805	16,474,497
578,038	25,727	603,765
<u>707,064</u>	<u>16,374,066</u>	<u>28,672,702</u>
-	371,242	3,833,953
-	-	3,286,646
<u>-</u>	<u>371,242</u>	<u>7,120,599</u>
-	2,685,108	2,780,888
-	-	200,146
-	298,550	891,479
-	963,305	1,128,806
-	-	1,922,871
-	-	555,609
<u>-</u>	<u>3,946,963</u>	<u>7,479,799</u>
-	-	204,193
<u>-</u>	<u>-</u>	<u>34,274</u>
<u>-</u>	<u>-</u>	<u>238,467</u>
8,369,000	-	8,369,000
4,211,594	-	4,211,594
-	1,371,865	1,371,907
<u>12,580,594</u>	<u>5,690,070</u>	<u>28,791,366</u>
<u>(11,873,530)</u>	<u>10,683,996</u>	<u>(118,664)</u>
-	203,329	203,329
12,582,020	1,709,341	14,291,361
-	(14,827,294)	(14,999,848)
<u>12,582,020</u>	<u>(12,914,624)</u>	<u>(505,158)</u>
708,490	(2,230,628)	(623,822)
<u>12,618,616</u>	<u>8,227,448</u>	<u>26,329,269</u>
<u>\$ 13,327,106</u>	<u>\$ 5,996,820</u>	<u>\$ 25,705,447</u>



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, 2017**

	Nutrition Services	Daycare Services	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,896,098	\$ 1,449,998	\$ 4,346,096
Other receivables	51,919	424,732	476,651
Due from other governments	99,274	75,288	174,562
Due from other funds	47,827	2,030	49,857
Inventories - supplies and materials	70,194	-	70,194
Total current assets	3,165,312	1,952,048	5,117,360
Noncurrent assets, furniture and equipment, net	879,261	31,440	910,701
Total assets	4,044,573	1,983,488	6,028,061
Deferred outflow of resources			
Pension related amounts	754,913	719,495	1,474,408
Liabilities			
Current liabilities:			
Accounts payable	22,056	18,427	40,483
Accrued expenses	8,582	261,141	269,723
Due to other funds	955,095	765,766	1,720,861
Unearned revenue	183,645	-	183,645
Total current liabilities	1,169,378	1,045,334	2,214,712
Noncurrent liability, net pension liability	2,783,959	2,653,340	5,437,299
Total liabilities	3,953,337	3,698,674	7,652,011
Deferred inflow of resources, pension related amounts	112,231	106,966	219,197
Net Position			
Investment in capital assets	879,261	31,440	910,701
Unrestricted	(145,343)	(1,134,097)	(1,279,440)
Total net position	\$ 733,918	\$ (1,102,657)	\$ (368,739)

Cedar Rapids Community School District

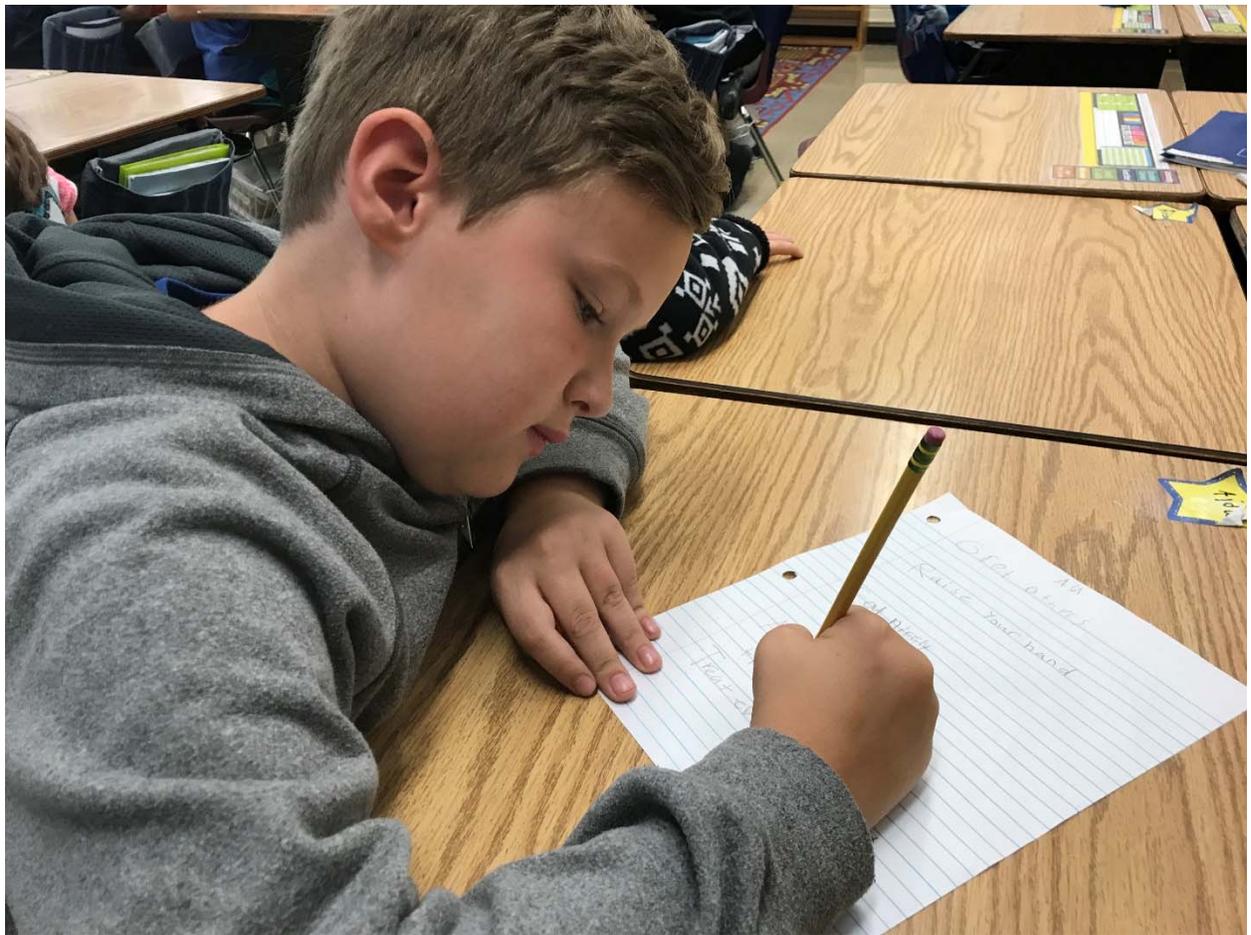
**Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
Year Ended June 30, 2017**

	Nutrition Services	Daycare Services	Total
Operating revenues:			
Charges for services	\$ 2,893,895	\$ 4,427,197	\$ 7,321,092
Other	11,590	58,462	70,052
Total operating revenues	2,905,485	4,485,659	7,391,144
Operating expenses:			
Support services	-	13,115	13,115
Payroll costs	4,017,952	3,780,994	7,798,946
Purchased services	17,361	90,417	107,778
Supplies and materials	3,880,134	660,582	4,540,716
Depreciation	94,604	3,493	98,097
Total operating expenses	8,010,051	4,548,601	12,558,652
Operating (loss)	(5,104,566)	(62,942)	(5,167,508)
Nonoperating revenues (expenses):			
State sources	66,464	-	66,464
Federal sources	5,531,776	126,853	5,658,629
Interest income	4,122	-	4,122
Total nonoperating revenues	5,602,362	126,853	5,729,215
Income before transfers	497,796	63,911	561,707
Transfers in	-	77,167	77,167
Transfers out	(524,086)	(30,498)	(554,584)
	(524,086)	46,669	(477,417)
Change in net position	(26,290)	110,580	84,290
Net position, beginning of year	760,208	(1,213,237)	(453,029)
Net position, end of year	\$ 733,918	\$ (1,102,657)	\$ (368,739)

Cedar Rapids Community School District

**Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Year Ended June 30, 2017**

	Nutrition Services	Daycare Services	Total
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 2,543,956	\$ -	\$ 2,543,956
Cash received from services	364,914	4,184,631	4,549,545
Cash received from miscellaneous operating activities	11,590	58,462	70,052
Cash payments to employees for services	(3,969,367)	(3,898,563)	(7,867,930)
Cash payments to suppliers for good and services	(3,475,872)	(763,248)	(4,239,120)
Net cash used in operating activities	(4,524,779)	(418,718)	(4,943,497)
Cash flows from noncapital financing activities:			
State lunch and breakfast reimbursements	66,464	-	66,464
Federal lunch and breakfast reimbursements	5,091,182	183,485	5,274,667
Transfers from other funds	-	77,167	77,167
Transfers to other funds	(524,086)	(30,498)	(554,584)
Proceeds from interfund accounts	-	537,027	537,027
Payments to interfund accounts	(120,857)	-	(120,857)
Net cash provided by noncapital financing activities	4,512,703	767,181	5,279,884
Cash flows from capital and related financing activities, acquisition of capital assets			
	(13,706)	-	(13,706)
Cash flows from investing activities, interest			
	4,122	-	4,122
Net increase (decrease) in cash and cash equivalents	(21,660)	348,463	326,803
Cash and cash equivalents:			
Beginning	2,917,758	1,101,535	4,019,293
Ending	<u>\$ 2,896,098</u>	<u>\$ 1,449,998</u>	<u>\$ 4,346,096</u>
Reconciliation of operating (loss) to net cash used in operating activities:			
Operating (loss)	\$ (5,104,566)	\$ (62,942)	\$ (5,167,508)
Adjustments to reconcile operating (loss) to net cash used in operating activities:			
Depreciation expense	94,604	3,493	98,097
Commodities consumed	378,252	-	378,252
Changes in assets and liabilities:			
Decrease (increase) in receivables, net	19,555	(242,566)	(223,011)
(Increase) in inventories	30,363	-	30,363
Increase (decrease) in accounts payable and accrued expenses	13,088	(105,185)	(92,097)
Increase in net pension liability	570,410	482,568	1,052,978
(Increase) in deferred outflows of resources	(50,553)	(28,747)	(79,300)
(Decrease) in deferred inflows of resources	(471,352)	(465,339)	(936,691)
Increase in unearned revenues	(4,580)	-	(4,580)
Net cash used in operating activities	\$ (4,524,779)	\$ (418,718)	\$ (4,943,497)
Noncash items, noncapital financing activities, federal commodities			
	<u>\$ 378,252</u>	<u>\$ -</u>	<u>\$ 378,252</u>



Cedar Rapids Community School District

Statistical Section Contents

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	71-77
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	78-81
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	82-85
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	86-87
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	88-95

Schedule 1
Cedar Rapids Community School District

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Governmental activities										
Net investment in capital assets	\$ 97,707,987	\$ 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
Restricted (3)	19,012,118	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
Unrestricted (2)	(61,013,853)	(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
Total Governmental activities	55,706,252	46,400,522	31,207,628	104,963,261	95,323,947	92,720,652	82,534,976	75,192,275	73,050,769	66,062,163
Business type activities										
Net investment in capital assets	910,701	995,092	1,034,198	787,396	628,541	516,911	546,333	540,774	527,720	564,015
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (2)	(1,279,440)	(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
Total Business type activities	(368,739)	(453,029)	(1,438,476)	2,910,616	3,010,075	2,882,040	2,613,632	2,317,939	1,898,233	1,941,453
Primary Government										
Net investment in capital assets (1)	98,618,688	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
Restricted	19,012,118	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
Unrestricted (2)	(62,293,293)	(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
Total Primary Government	\$ 55,337,513	\$ 45,947,493	\$ 29,769,152	\$ 107,873,877	\$ 98,334,022	\$ 95,602,692	\$ 85,148,608	\$ 77,510,214	\$ 74,949,002	\$ 68,003,616

Source: CRCSD 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

	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Expenses										
Governmental activities:										
Instruction:										
Regular instruction	\$ 71,654,881	\$ 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
Special instruction (4)	40,826,106	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
Vocational instruction	1,218,658	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
Other instruction	22,282,880	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
Total Instruction	135,982,525	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
Support services:										
Student services	5,681,000	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
Instructional staff services	17,389,089	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
General administration services	10,765,228	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
School administration services	13,815,890	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
Business services	6,204,875	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
Operations and maintenance	21,214,740	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
Student transportation	8,102,173	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
Total support services (3)	83,172,995	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
Non-instructional programs:										
Food Services	204,193	217,375	226,745	100,701	116,539	97,989	168,194	201,939	174,635	120,444
Community services	41,524	33,500	19,667	49,137	137,933	93,866	27,825	17,196	36,646	55,146
Total non-instructional expenditures	245,717	250,875	246,412	149,838	254,472	191,855	196,019	219,135	211,281	175,590
Facilities acquisition/construction	-	-	-	-	-	-	-	-	-	1,706,264
Interest on long-term debt	3,809,709	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
AEA flow through	7,396,246	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
Total other expenditures	11,205,955	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
Total governmental activities	230,607,192	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
Business type activities:										
Non-instructional programs:										
Day care services	4,548,601	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
Nutrition services	8,010,051	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
Total Business type activities	12,558,652	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
Total primary government expenses	243,165,844	232,809,842	224,215,629	223,862,543	221,556,690	217,081,649	223,526,918	213,222,413	214,987,326	189,489,490
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	8,634,347	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
Support	902,454	885,724	792,749	783,739	533,744	382,035	404,214	516,918	124,095	158,590
Non-instruction	592,372	634,464	624,993	602,627	602,545	663,854	620,996	626,433	595,378	466,431
Operating grants and contributions (1) (3)	31,965,448	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
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	42,094,621	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
Business type activities:										
Charges for services										
Day care services	4,427,197	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
Nutrition Services	2,893,895	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
Operating grants and contributions										
Day care services	126,853	128,635	120,998	111,976	74,869	84,491	79,298	59,221	40,897	22,128
Nutrition Services	5,598,240	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
Capital grants and contributions										
Day care services	-	-	-	-	-	-	-	175,000	-	-
Nutrition Services	-	-	-	-	176,698	-	-	-	62,578	-
Total business type activities	13,046,185	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
Total primary government program revenues	55,140,806	55,456,353	60,181,043	53,373,838	52,262,176	54,894,802	67,940,563	67,354,950	62,098,609	45,770,415
Net (Expense)/Revenue										
Governmental activities	(188,512,571)	(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)
Business type activities	487,533	1,140,309	717,904	(5,185)	289,830	409,233	410,484	558,199	106,042	(17,969)
Total primary government net expense	\$ (188,025,038)	\$ (177,353,489)	\$ (164,034,586)	\$ (170,488,705)	\$ (169,294,514)	\$ (162,186,847)	\$ (155,586,355)	\$ (145,867,463)	\$ (152,888,717)	\$ (143,719,075)

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. Increases for FY2017 are due to a significant increase in staffing and staff related costs.

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									
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Net (Expense)/Revenue										
Governmental activities	\$ (188,512,571)	\$ (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)
Business-type activities	487,533	1,140,309	717,904	(5,185)	289,830	409,233	410,484	558,199	106,042	(17,969)
Total primary government net expense	(188,025,038)	(177,353,489)	(164,034,586)	(170,488,705)	(169,294,514)	(162,186,847)	(155,586,355)	(145,867,463)	(152,888,717)	(143,719,075)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes levied for general purposes(1)	69,579,547	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
Property taxes levied for debt service	-	-	-	-	-	-	-	-	695	1,789,051
Property taxes levied for capital projects	8,190,048	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
Secure and Advanced Vision for Education (SAVE) (2)	15,811,584	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	7,523,491	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
Grants not restricted to specific programs	91,632,494	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
Investment earnings	167,046	154,326	155,078	290,297	464,753	2,221,668	248,167	1,096,081	1,807,149	2,949,098
Miscellaneous	4,436,674	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
Transfers	477,417	229,722	388,495	172,862	232,136	235,752	242,600	202,168	193,867	191,366
Total Governmental activities	197,818,301	193,686,692	187,232,435	180,122,834	172,187,639	172,781,756	163,339,540	148,567,168	159,929,564	159,887,527
Business-type activities										
Investment earnings	4,122	2,337	2,256	2,257	2,805	3,081	6,596	6,270	27,090	92,021
Miscellaneous	70,052	72,523	86,580	76,331	67,536	91,846	121,213	57,405	17,515	14,551
Transfers	(477,417)	(229,722)	(388,495)	(172,862)	(232,136)	(235,752)	(242,600)	(202,168)	(193,867)	(191,366)
Total Business-type activities	(403,243)	(154,862)	(299,659)	(94,274)	(161,795)	(140,825)	(114,791)	(138,493)	(149,262)	(84,794)
Total primary government	197,415,058	193,531,830	186,932,776	180,028,560	172,025,844	172,640,931	163,224,749	148,428,675	159,780,302	159,802,733
Change in Net Position										
Governmental activities	9,305,730	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
Business-type activities	84,290	985,447	418,245	(99,459)	128,035	268,408	295,693	419,706	(43,220)	(102,763)
Total primary government (3)	\$ 9,390,020	\$ 16,178,341	\$ 22,898,190	\$ 9,539,855	\$ 2,731,330	\$ 10,454,084	\$ 7,638,394	\$ 2,561,212	\$ 6,891,585	\$ 16,083,658

Source: CRCSO 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									
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
General Fund										
Nonspendable	\$ 275,060	\$ 292,186	\$ 603,863	\$ 297,646	\$ 266,630	\$ 272,678	\$ 202,037	\$ -	\$ -	\$ -
Restricted	3,807,407	3,821,002	4,219,634	4,172,776	4,599,248	4,215,252	3,291,584	-	-	-
Unassigned	27,279,841	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
Unreserved	-	-	-	-	-	-	-	999,069	11,524,431	19,386,712
Total general fund (6)	<u>31,362,308</u>	<u>25,645,993</u>	<u>17,043,568</u>	<u>7,668,566</u>	<u>3,506,455</u>	<u>11,091,220</u>	<u>9,076,441</u>	<u>6,960,785</u>	<u>17,107,487</u>	<u>23,287,417</u>
All Other Governmental Funds										
Restricted (5)	\$ 29,975,436	\$ 32,008,921	\$ 33,373,466	\$ 33,299,233	\$ 43,199,945	\$ 55,758,753	\$ 32,282,105	\$ -	\$ -	\$ -
Assigned	1,896,527	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
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
Debt service funds (2)	-	-	-	-	-	-	-	113,436	24,769,620	31,805,918
Total all other governmental funds	<u>31,871,963</u>	<u>33,832,505</u>	<u>35,122,324</u>	<u>35,018,136</u>	<u>40,439,560</u>	<u>53,442,606</u>	<u>28,631,844</u>	<u>15,417,699</u>	<u>39,001,952</u>	<u>50,181,346</u>
Total all governmental funds	<u>\$ 63,234,271</u>	<u>\$ 59,478,498</u>	<u>\$ 52,165,892</u>	<u>\$ 42,686,702</u>	<u>\$ 43,946,015</u>	<u>\$ 64,533,826</u>	<u>\$ 37,708,285</u>	<u>\$ 22,378,484</u>	<u>\$ 56,109,439</u>	<u>\$ 73,468,763</u>

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, FY2016 and FY2017 is largely the result of implementation of expenditure reductions as well as the continuation of an aggressive cash reserve levy.

**Schedule 5
Cedar Rapids Community School District**

Governmental Funds Revenues

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Federal Sources:										
Federal grants(1)	\$ 9,629,518	\$ 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
Total federal sources	9,629,518	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
State Sources:										
State foundation aid(1)	84,269,010	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
State grants and other(2)	47,951,653	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
Total state sources	132,220,663	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
Local sources										
Local taxes(2)	85,293,086	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
Tuition	4,392,344	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
Other local sources	8,200,470	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
Total local sources	97,885,900	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
Total governmental revenues	\$ 239,736,081	\$ 236,082,633	\$ 233,621,713	\$ 226,066,525	\$ 212,578,766	\$ 215,412,460	\$ 217,463,248	\$ 204,160,331	\$ 206,515,265	\$ 195,249,147

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									
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Instruction:										
Regular instruction	\$ 79,531,985	\$ 80,512,091	\$ 77,868,718	\$ 76,908,440	\$ 71,429,408	\$ 68,184,007	\$ 69,191,417	\$ 68,328,331	\$ 66,128,081	\$ 56,896,463
Special instruction (2)	32,665,039	30,649,874	29,756,714	31,708,940	40,581,394	39,143,434	38,941,398	37,714,357	40,110,183	50,315,260
Vocational instruction	1,214,838	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
Other instruction	22,213,888	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
Total Instruction	135,625,750	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
Support services:										
Student services	5,662,054	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
Instructional staff services (1)	17,345,542	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
General administration services	4,287,743	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
School administration services	13,962,075	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
Business services	6,279,907	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
Operations and maintenance	16,893,124	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
Student transportation	7,357,781	7,755,760	6,268,848	7,019,774	7,179,964	5,836,541	6,750,524	5,055,464	5,156,301	4,034,637
AEA flowthrough	7,396,246	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
Total support services	79,184,472	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
Non-instructional programs:										
Food service	204,193	217,375	226,745	100,701	116,539	97,989	168,194	201,939	174,635	120,444
Community services	34,274	33,500	19,667	49,137	107,824	93,866	27,825	17,196	8,727	55,146
Total non-instructional services	238,467	250,875	246,412	149,838	224,363	191,855	196,019	219,135	183,362	175,590
Other expenditures:										
Debt Service										
Principal	8,369,000	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
Interest	4,211,594	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
Bond Issuance Costs	-	118,828	368,537	-	-	924,019	759,582	-	-	-
Capital Outlay										
Facility acquisition/construction	9,031,771	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
Total other expenditures	21,612,365	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
Total expenditures	\$ 236,661,054	\$ 229,122,986	\$ 233,242,492	\$ 227,807,483	\$ 233,705,768	\$ 242,527,554	\$ 244,449,508	\$ 238,681,238	\$ 222,548,545	\$ 184,064,181
Transfers out	16,870,047	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
Total expenditures and transfers	\$ 253,531,101	\$ 239,998,503	\$ 243,682,285	\$ 238,247,518	\$ 244,496,342	\$ 263,934,092	\$ 255,832,918	\$ 245,257,372	\$ 229,359,037	\$ 189,926,548
Capital Outlays	2,443,164	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
Total Expenditures less Capital Outlays	234,217,890	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
Debt Service (principal & interest only)	12,580,594	9,259,533	8,048,475	7,984,345	7,977,908	8,333,578	4,382,902	29,424,410	12,094,468	5,189,398
Debt service (P&I) as a percentage of noncapital expenditures	5.37%	4.15%	3.70%	3.84%	3.84%	4.07%	2.11%	13.01%	5.81%	2.92%

Source: CRCSO 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									
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Excess of revenues over (under) expenditures	\$ 3,075,027	\$ 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
Other Financing Sources (Uses)										
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	203,329	2,677	378,668	308,783	307,055	-	-	-	-	-
Payment to refunding escrow agent	-	(15,350,000)	(57,270,194)	-	-	-	-	-	-	-
Transfers in	17,347,464	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
Transfers out	(16,870,047)	(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)
Total other financing sources (uses)	680,746	352,959	9,099,969	481,645	539,191	53,940,635	42,316,061	202,168	193,867	191,366
Special item, misappropriated collections ⁽¹⁾	-	-	-	-	-	-	-	587,784	-	-
Net change in fund balances	\$ 3,755,773	\$ 7,312,606	\$ 9,479,190	\$ (1,259,313)	\$ (20,587,811)	\$ 26,825,541	\$ 15,329,801	\$ (33,730,955)	\$ (15,839,413)	\$ 11,376,332

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 play 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 and FY2017 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 <i>(Excluding Tax Increment Financing (TIF) Property)</i>								Taxable Valuations <i>(Excluding Tax Increment Financing (TIF) Property)</i>								Total District Levy Rate
		Assessed	Collected	Agriculture	Residential <small>(net of personal exemptions)</small>	Commercial	Industrial	Railroad	with Gas & Elect	Utility	Multi-Residential	Total	Agriculture	Residential <small>(net of personal exemptions)</small>	Commercial	Industrial	Railroad	
2015	2017	\$80,572,521	\$6,074,564,910	\$1,265,317,686	\$102,861,195	\$18,044,287	\$944,784,846	\$189,910,652	\$8,676,056,097	\$37,139,664	\$3,310,756,312	\$1,119,765,497	\$90,658,365	\$16,239,860	\$267,154,678	\$162,056,748	\$5,003,771,124	\$15.37507
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

Calendar Year	State Rollback Factors							
	Assessed	Agriculture	Residential	Commercial	Industrial	Railroad	Utility	Multi-Residential
2015		47.4996%	56.9391%	90.0000%	90.0000%	90.0000%	100.0000%	82.5000%
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%	

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)

<u>Fiscal Year</u>	<u>Cedar Rapids Community Schools District Direct Rates</u>			<u>Overlapping Rates</u> ⁽¹⁾						
	<u>General Purposes</u>	<u>Capital Purposes</u>	<u>Total</u>	<u>City of Cedar Rapids</u>	<u>Town of Bertram</u>	<u>City of Hiawatha</u>	<u>City of Marion</u>	<u>Town of Palo</u>	<u>Town of Robins</u>	<u>Linn County</u>
2017	\$13.34784	\$2.02745	\$15.37529	\$15.21621	\$4.40003	\$15.41180	\$13.98943	\$13.08333	\$7.67714	\$6.14108
2016	13.78269	1.59761	15.38030	15.21621	4.40002	15.40867	13.58625	13.00441	7.97127	6.14225
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

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 2015 for FY 2017 Revenue			Assessed Value 2006 for FY 2008 Revenue		
		FY17 Rank	Amount	Percentage of Total Assessed Valuation	FY08 Rank	Amount	Percentage of Total Assessed Valuation
Interstate Power /Alliant Energy	Natural Gas & Electric Utility	1	511,900,063	5.90%	1	268,617,841	3.72%
Nextera Energy - Duane Arnold LLC	Electric Utility	2	150,782,382	1.74%	2	144,196,477	2.00%
Mid American Energy	Natural Gas & Electric Utility	3	52,250,813	0.60%	5	28,442,493	0.39%
St Luke's Methodist Hospital	Medical Facility	4	35,652,200	0.41%	6	26,225,614	0.36%
Westdale Capital Investments LLC	Investment Services	5	20,390,300	0.24%	-	-	-
Aegon U S Holding Corp	Residential & Commercial Real Estate	6	18,332,000	0.21%	3	50,050,580	0.69%
Cargill Inc	Grain Processor	7	16,558,700	0.19%	-	-	-
Great America Building LLC	Commercial Real Estate	8	15,201,000	0.18%	-	-	-
Cedar Rapids City of	Municipality	9	14,650,800	0.17%	-	-	-
Hy Vee Food Stores Inc	Retail Grocer & Gas Station	10	14,612,900	0.17%	7	25,643,257	0.36%
Robert K. Miell - Individual	Real Estate Holdings	-	-	-	4	34,969,087	0.48%
Qwest	Telecommunications	-	-	-	8	20,787,250	0.29%
Westdale Capital Investments LLC	Residential Real Estate	-	-	-	9	19,924,119	0.28%
OPM LC	Real Estate Holdings	-	-	-	10	18,271,196	0.25%
Total			\$850,331,158	9.81%		\$637,127,914	8.82%

Source: Linn County Auditor

**Schedule 11
Cedar Rapids Community School District**

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30th	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections (1)	Total Tax Collections	
		Amount	Percent of Levy		Amount	Percent of Levy
2017	\$77,601,185	\$77,751,640	100.2%	\$17,955	\$77,769,595	100.22%
2016	77,335,809	77,097,703	99.7%	117,500	77,215,203	99.84%
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%

Source: District financial records and Linn County Finance and Budget

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

**Schedule 12
Cedar Rapids Community School District**

Total Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Total Primary Government	Less Amount Restricted for Debt Service	Net Bonded Debt	Percentage of Personal Income (1)	Total Debt Per Capita (1)	Net Bonded Debt(2) Per Capita (1)	Taxable (2) Value of Property	Ratio of Net Bonded Debt (2) to Taxable Value of Property
	SAVE Revenue Bonds	QSCB Bonds	School Refunding Bonds	General Obligation Bonds	Capital Loan Note	Anticipatory Warrants	Bond Premiums								
2017	\$89,209,000	\$11,842,461	\$11,080,000	\$ -	\$ -	\$ -	\$ 1,345,624	\$113,477,085	\$3,076,332	\$110,400,753	0.95%	\$424	\$413	\$5,003,771,124	2.21%
2016	94,723,000	11,842,461	13,935,000	-	-	-	1,697,790	122,198,251	2,030,589	120,167,662	1.06%	459	452	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%

Source: District Financial Reports, Woods & Poole Economics

Notes:

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

(2) Taxable valuations exclude TIF valuations

**Schedule 13
Cedar Rapids Community School District**

Pledged-Revenue Coverage

Last Ten Fiscal Years

Secure an Advanced Vision for Education (SAVE) Fund

Fiscal Year	Revenue	Debt Service		Coverage
		Principal	Interest	
2017	\$16,080,075	\$ -	\$9,052,184	1.78
2016	16,080,075	-	4,483,336	3.59
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	-	-	-	-

Source: District Financial Records

**Schedule 14
Cedar Rapids Community School District**

Direct and Overlapping Governmental Activities Debt

As of June 30, 2017

	Gross Debt Outstanding	Percentage Applicable to Governmental Unit (1)	Cedar Rapids Community School District Share of Debt
Direct:			
Cedar Rapids Community School District	\$113,477,085	100.00 %	\$113,477,085
Overlapping:			
City of Cedar Rapids	\$160,955,075	68.38 %	\$110,061,080
City of Hiawatha	\$2,298,000	99.93 %	\$2,296,391
City of Marion	\$48,305,000	1.74 %	\$840,507
City of Robins	\$7,645,000	70.94 %	\$5,423,363
Kirkwood Community College	\$56,343,000	22.28 %	\$12,553,220
Linn County	\$23,980,000	50.49 %	\$12,107,502
Total Overlapping	299,526,075		143,282,063
Total Direct and Overlapping Debt	\$413,003,160	62.17 %	\$256,759,148

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									
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Assessed valuation	\$8,676,056,097	\$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
Legal debt limit (5% of Assessed Valuation)	433,802,805	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
District debt applicable	\$113,477,085	\$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
Legal debt margin	<u>\$ 320,325,720</u>	<u>\$ 305,144,588</u>	<u>\$ 293,291,324</u>	<u>\$ 295,770,044</u>	<u>\$ 291,927,297</u>	<u>\$ 282,990,924</u>	<u>\$ 320,742,961</u>	<u>\$ 356,309,397</u>	<u>\$ 324,373,496</u>	<u>\$ 294,420,653</u>
District debt applicable as a percentage of Legal debt limit	26.2%	28.6%	30.0%	28.3%	28.9%	30.1%	18.0%	8.1%	15.2%	18.5%

Source: District Financial Records and Linn County Auditor

**Schedule 16
Cedar Rapids Community School District**

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Income	Unemployment Rate %
2016	267,450	\$11,882,720,000	\$44,430	3.6%
2015	266,040	11,529,370,000	43,337	4.0
2014	263,960	11,164,130,000	42,295	3.7
2013	262,420	10,945,370,000	41,709	4.9
2012	261,630	10,971,820,000	41,936	5.1
2011	260,860	10,619,450,000	40,709	6.0
2010	258,220	10,324,130,000	39,982	6.1
2009	256,900	10,199,700,000	39,703	6.1
2008	255,500	10,232,850,000	40,050	3.9
2007	252,710	9,842,380,000	38,947	3.7

Sources:

Woods and Poole Economics 2017 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>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment (1)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment (1)</u>
Rockwell Collins Inc.	8,700	1	4.75%	9,000	1	5.20%
Transamerica	3,800	2	2.08%	3,500	2	2.02%
UnityPoint Health - St. Lukes Hospital	2,979	3	1.63%	2,800	4	1.62%
Cedar Rapids Community School District	2,879	4	1.57%	2,900	3	1.67%
Hy-Vee Food Stores	2,326	5	1.27%	2,545	6	1.47%
Nordstrom Direct	2,150	6	1.17%	-	-	-
Mercy Medical Center	2,140	7	1.17%	2,498	7	1.44%
City of Cedar Rapids	1,309	8	0.72%	1,493	8	0.86%
Four Oaks	1,100	9	0.60%	-	-	-
Linn-Mar Community School District	987	10	0.54%	-	-	-
Kirkwood Community College	-	-	-	1,410	9	0.81%
Walmart Stores Inc	-	-	-	1,030	10	0.59%
Whirlpool Corporation	-	-	-	2,650	5	1.53%
Totals	28,370		15.50%	29,826		17.21%

Sources:

Cedar Rapids Economic Alliance - 2017 The Demographic and Economic Report - for employer employment.
Woods and Poole Economics 2017 Data Pamphlet - for total employment.

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

**Schedule 18
Cedar Rapids Community School District**

Full-Time Equivalent (1) District Employee by Type

Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	Percentage Change 2008-2017
Administration											
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	2.0	1.0	1.0	1.0	1.0	2.0	0.00%
Principals and Assistants	45.0	47.0	46.0	47.0	49.0	48.0	48.0	48.0	48.0	48.0	-6.25%
District Administrators	17.1	14.0	13.0	13.0	10.0	12.0	13.0	13.0	14.0	13.0	31.54%
Supervisors	6.0	8.0	9.0	8.0	7.0	7.0	7.0	8.0	9.0	8.0	-25.00%
Total Administration	71.1	72.0	71.0	71.0	69.0	69.0	70.0	71.0	73.0	72.0	-1.25%
Teachers											
PreK-12 (3), Music, Physical Education and Art	956.3	916.4	923.6	911.4	930.4	938.1	952.1	969.5	940.8	942.0	1.52%
Special Education	225.6	229.5	210.2	211.7	222.3	213.6	218.4	219.4	252.9	258.1	-12.60%
Federal Programs	25.1	26.5	27.8	28.8	31.3	23.1	39.9	41.3	27.2	26.0	-3.65%
Media Specialist	16.0	15.5	18.5	19.5	21.0	21.5	24.0	25.0	23.3	24.7	-35.22%
Counselors	47.0	45.0	46.0	49.0	46.0	49.8	47.0	48.8	48.6	46.3	1.51%
Total Teachers	1,269.9	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	-2.10%
Support Personnel											
Clerical	146.6	146.8	137.4	156.7	169.1	182.2	184.7	182.8	178.1	183.5	-20.08%
Teacher aides, Special Education	268.5	265.3	270.9	248.1	309.0	272.2	295.8	257.0	273.6	268.1	0.16%
Teacher aides, regular	90.1	91.0	83.7	120.5	135.9	132.0	135.2	124.1	120.2	95.1	-5.32%
Custodial and maintenance	138.6	142.1	141.9	148.4	152.5	161.1	163.3	171.4	170.3	168.4	-17.67%
Bus drivers/Attendants	111.7	115.1	105.5	104.9	114.0	115.0	113.6	111.0	105.7	105.6	5.73%
Food service workers	134.7	131.4	131.8	128.0	138.8	138.4	141.5	134.3	133.9	136.8	-1.52%
Nurses/Volunteer Coordinator	20.3	16.8	13.3	13.0	14.0	14.0	14.5	14.5	15.5	15.5	30.97%
Crafts and trades	8.0	9.0	10.0	11.0	11.0	12.0	18.6	22.8	18.1	18.9	-57.62%
Data processing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	3.8	3.8	-100.00%
Day care	92.1	99.3	97.4	104.8	105.7	117.7	108.1	105.0	99.8	101.0	-8.74%
Other(2)	162.9	135.9	117.9	150.2	88.6	69.8	65.8	54.3	55.5	57.3	184.26%
Total Support Personnel	1,173.5	1,152.5	1,109.7	1,185.6	1,238.6	1,214.4	1,241.0	1,180.7	1,174.5	1,153.9	1.70%
Total Staff	2,514.5	2,457.3	2,406.8	2,477.0	2,558.6	2,529.5	2,592.4	2,555.7	2,540.3	2,523.0	-0.34%

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

<u>Fiscal Year</u>	<u>General Fund - Expenditures</u>				<u>All District Funds - Expenses</u>			<u>Teaching Staff FTE(1)</u>	<u>Resident Pupil-Teacher Ratio</u>	<u>Students Receiving Free or Reduced Price Meals</u>	
	<u>Certified Enrollment</u>	<u>Net Expenditures(3)</u>	<u>Cost per Pupil(2)</u>	<u>Percentage Change</u>	<u>Statement of Activities Expenses</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>			<u>Number</u>	<u>Percentage</u>
2017	17,092	\$186,879,572	\$10,934	1.7%	\$243,165,844	\$14,227	3.5%	1,269.9	13.5	7,908	46.3%
2016	16,939	182,141,049	10,753	1.4%	232,809,842	13,744	3.2%	1,232.8	13.7	7,403	43.7%
2015	16,843	178,584,723	10,603	2.9%	224,215,629	13,312	0.3%	1,226.1	13.7	7,918	47.0%
2014	16,865	173,859,183	10,309	-1.7%	223,862,543	13,274	-0.2%	1,220.4	13.8	7,916	46.9%
2013	16,651	174,582,525	10,485	4.2%	221,556,690	13,306	2.8%	1,251.0	13.3	8,019	48.2%
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	43.8%
2010	16,929	168,930,455	9,979	8.4%	213,222,413	12,595	2.5%	1,304.0	13.0	7,030	41.5%
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%

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.
- (2) 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.)
- (3) Net Expenditures in the General Fund include credits for tuition receipts for services provided to non-resident pupils.

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

Building	Fiscal Year									
	<u>2017</u>	<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>
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	1,504	1,490	1,516	1,496	1,467	1,525	1,538	1,625	1,655	1,667
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	1,882	1,761	1,749	1,780	1,721	1,766	1,792	1,790	1,807	1,813
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	393	410	374	358	337	415	462	585	566	568
Washington (1959)										
Square feet	311,919	311,919	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	1,336	1,366	1,364	1,381	1,381	1,409	1,414	1,435	1,476	1,531
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	653	649	663	637	644	636	622	640	640	653
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	840	813	807	837	883	870	895	835	876	880
McKinley (1922)										

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

Building	Fiscal Year									
	<u>2017</u>	<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>
Square feet	138,476	138,476	138,476	138,476	138,476	138,476	138,476	138,476	138,476	138,476
Architectural Capacity	700	700	700	700	700	700	700	700	700	700
Educational Capacity	824	824	824	824	824	824	824	824	824	824
Enrollment	492	523	535	543	556	562	561	541	516	512
Roosevelt (1924)										
Square feet	139,350	139,350	139,350	139,350	139,350	139,350	139,350	139,350	139,350	139,350
Architectural Capacity	700	700	700	700	700	700	700	700	700	700
Educational Capacity	846	846	846	846	846	846	846	846	846	846
Enrollment	521	556	566	601	564	549	555	504	496	570
Taft (1965)										
Square feet	127,507	127,507	127,507	127,507	127,507	127,507	127,507	127,507	127,507	127,507
Architectural Capacity	700	700	700	700	700	700	700	700	700	700
Educational Capacity	684	684	684	684	684	684	684	684	684	684
Enrollment	608	581	580	567	616	658	653	646	667	699
Wilson (1928)										
Square feet	108,807	108,807	108,807	108,807	108,807	108,807	108,807	108,807	108,807	108,807
Architectural Capacity	650	650	650	650	650	650	650	650	650	650
Educational Capacity	546	546	546	546	546	546	546	546	546	546
Total Enrollment	378	368	368	381	379	508	504	774	785	804
Elementary Schools										
Arthur (1914)										
K-5										
Square feet	53,851	53,851	53,851	53,851	53,851	53,851	53,851	53,851	53,851	53,851
Architectural Capacity	400	400	400	400	400	400	400	400	400	400
Educational Capacity	417	417	417	417	417	417	417	417	417	417
Enrollment	305	344	367	368	354	339	332	312	316	302
Cleveland (1950)										
K-5										
Square feet	46,819	46,819	46,819	46,819	46,819	46,819	46,819	46,819	46,819	46,819
Architectural Capacity	500	500	500	500	500	500	500	500	500	500
Educational Capacity	435	435	435	435	435	435	435	435	435	435
Enrollment	343	355	347	347	345	309	301	320	366	328
Coolidge (1967)										
K-5										
Square feet	48,557	48,557	48,557	48,557	48,557	48,557	48,557	48,557	48,557	48,557
Architectural Capacity	500	500	500	500	500	500	500	500	500	500
Educational Capacity	465	465	465	465	465	465	465	465	465	465

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

Building		Fiscal Year									
		<u>2017</u>	<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>
	Enrollment	414	405	410	430	454	424	408	458	433	423
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	382	376	358	381	421	300	312	325	321	354
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	456	309	309	309	309	309	309	309	309
	Enrollment	209	280	270	269	231	187	222	287	295	306
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	470	447	479	495	487	571	545	562	535	545
Grant (1961)	K-1										
	Square feet	46,565	46,565	46,565	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	369	360	379	394	385	151	154	151	179	223
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	351	343	324	310	340	292	301	304	331	352
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	353	340	288	282	282	271	255	243	311	389
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**

Building		Fiscal Year									
		<u>2017</u>	<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>
	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	428	454	423	390	391	390	382	395	424	462
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	337	322	323	376	344	338	342	367	358	360
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	354	351	334	343	338	348	354	345	331	331
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	384	395	317	332	303	224	243	230	279	304
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	410	308	310	298	305	259	269	325	331	301
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	257	259	280	259	262	286	274	286	273	284
Monroe (1961) (2)	K-only										
	Square feet						27,175	27,175	27,175	27,175	27,175
	Architectural Capacity						350	350	350	350	350
	Educational Capacity						350	350	350	350	350
	Enrollment						220	189	196	234	253

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

Building		Fiscal Year									
		<u>2017</u>	<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>
Nixon (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	461	461	461	461	461	461	461	461	461	461
	Enrollment	306	313	330	346	350	278	285	301	301	310
Pierce (1965)	K-5										
	Square feet	47,321	47,321	47,321	47,321	47,321	47,321	47,321	47,321	47,321	47,321
	Architectural Capacity	475	475	475	475	475	475	475	475	475	475
	Educational Capacity	427	427	427	427	427	427	427	427	427	427
	Enrollment	414	387	390	412	405	439	480	471	465	446
Polk (1961) (2)	K-5										
	Square feet	29,934	29,934	29,934	29,934	29,934	29,934	29,934	29,934	29,934	29,934
	Architectural Capacity	100	100	100	100	100	350	350	350	350	350
	Educational Capacity	100	100	100	100	100	350	350	350	350	350
	Enrollment	62	72	70	76	50	214	192	195	220	212
Taylor (1973) (1)	K-5										
	Square feet	48,170	48,170	48,170	48,170	48,170	48,170	48,170	48,170	48,170	48,170
	Architectural Capacity	475	475	475	475	475	475	475	475	475	475
	Educational Capacity	392	392	392	392	392	392	392	392	392	392
	Enrollment	219	255	237	260	252	237	228	232	0	268
Truman (1961)	Square feet	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129
	Architectural Capacity	400	400	400	400	400	400	400	400	400	400
	Educational Capacity	352	352	352	352	352	352	352	352	352	352
	Enrollment	266	267	275	308	324	330	340	335	352	351
	Van Buren (1970)	K-5									
Square feet		37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580	37,580
Architectural Capacity		475	475	475	475	475	475	475	475	475	475
Educational Capacity		470	470	470	470	470	470	470	470	470	470
Enrollment		379	379	380	365	345	410	404	350	385	392
Wright (1953)	K-5										
	Square feet	41,502	41,502	41,502	41,502	41,502	41,502	41,502	41,502	41,502	41,502
	Architectural Capacity	375	375	375	375	375	375	375	375	375	375
	Educational Capacity	385	385	385	385	385	385	385	385	0	385

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

Building	Fiscal Year									
	<u>2017</u>	<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>
Enrollment	294	323	336	339	315	260	258	232	248	221
Totals										
Square feet	2,790,242	2,790,242	2,791,017	2,788,371	2,788,371	2,815,546	2,802,562	2,815,546	2,815,546	2,815,546
Architectural Capacity	20,330	20,330	20,330	20,330	20,330	20,930	20,930	20,930	20,930	20,930
Educational Capacity	19,671	19,671	19,524	19,524	19,524	20,124	20,124	20,124	19,739	20,124
Building Enrollment	15,913	15,852	15,749	15,961	15,831	15,975	16,066	16,597	16,772	17,414
% Architectural Capacity	78.27%	77.97%	77.47%	78.51%	77.87%	76.33%	76.76%	79.30%	80.13%	83.20%
% Educational Capacity	80.90%	80.59%	80.66%	81.75%	81.08%	79.38%	79.84%	82.47%	84.97%	86.53%

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

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2017.

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*.

Comments involving statutory or other legal matters about the District's operations for the year ended June 30, 2017, 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
December 4, 2017

**Report on Compliance for Each 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

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 each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal programs 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 each of the major federal programs. 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 each of its major federal programs for the year ended June 30, 2017.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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
December 4, 2017

Cedar Rapids Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Passed-Through Grantor's Number	Pass-Through to Subrecipients	Program Expenditures
U.S. Department of Agriculture:				
Passed through Iowa Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	4552	\$ -	\$ 1,084,121
National School Lunch Program	10.555	4553	-	3,937,360
National School Lunch Program USDA Commodities (Noncash)	10.555	4951	-	378,252
Subtotal			-	5,399,733
Fresh Fruit & Vegetable Pilot Program	10.582	4557	-	75,105
Team Nutrition Grant	10.574	4558	-	350
Child and Adult Care Food Program	10.558	4554	-	126,503
Summer Food Service Program for Children	10.559	4556	-	56,938
Total U.S. Department of Agriculture			-	5,658,629
U.S. Department of Education:				
Passed through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	4501	-	3,123,477
Title I Grants to Local Educational Agencies - Delinquent	84.010	4501/438/Fac 0058	-	53,488
Title I Grants to Local Educational Agencies - Carryover	84.010	4508	-	217,276
Title I Grants to Local Educational Agencies - SINA	84.010	4501/432	-	152,697
Subtotal			-	3,546,938
Special Ed- Preschool Grant *	84.173	4522	-	3,074
IDEA Part B- High Cost Funds *	84.027	4525	-	11,959
Special Ed- State Personnel Dev- SPDG	84.323	4526	-	3,240
Title IIA- Federal Teacher Quality (Class Size Reduction Program)	84.367	4643	-	600,755
Title III- Immigrant Children & Youth	84.365	4644; Program 412	-	40,182
Twenty-first Century Comm Learning Centers	84.287	4646	-	225,000
AP- Advanced Placement Program	84.330	4654	-	12,122
Perkins Vocational Education Program- Basic	84.048	4531	-	196,306
Gear Up Iowa	84.334	4674	-	210,496
Title VI - NCLB Assessment Grant	84.369	4648	-	31,938
Education for Homeless Children and Youth	84.196	4565	-	36,000
Subtotal			-	4,918,010
Passed through Grant Wood Area Education Agency, Special Education Grants to States IDEA Part B *	84.027	4521	-	894,552
Total U.S. Department of Education			-	5,812,562
U.S. Department of Human Services:				
Passed through Iowa Department of Education:				
School Wellness - Water Availability	93.945	4621	-	15,682
School Health Programs	93.938	4577	-	769
Total U.S. Department of Human Services			-	16,451
Total expenditures of federal awards			\$ -	\$ 11,487,642

* Total Special Education Cluster - \$909,585

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, 2017

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, 2017. 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. Indirect Cost Rate

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

Cedar Rapids Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017**

	Finding	Status	Corrective Action Plan or Other Explanation
Other Findings Related to Statutory Reporting			
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.	Not Corrected	See correction action plan at 17-IV-G.
16-IV-M	The District's Daycare Services Fund had a deficit balance at June 30, 2016 due to implementation of GASB No. 68.	Not Corrected	See corrective action plan at 17-IV-M.

Cedar Rapids Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2017**

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? Yes No
- Significant deficiencies identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? 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
10.553, 10.555	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster

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, 2017**

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

17-IV-A Certified Budget

Expenditures/expenses during the year ended June 30, 2017 did not exceed budget amounts.

17-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.

17-IV-C Travel Expenses

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

17-IV-D Business Transactions

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

17-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.

17-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, 2017**

17-IV-G Certified Enrollment

Finding: There were various certified enrollment variances identified by the State that resulted in an increase of 3.56 students from the October 1, 2016 certified enrollment numbers reported by the District.

Recommendation: The District should correct errors prior to providing the information to the state to avoid adjustments made by the state.

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.

17-IV- H Supplementary Weighting

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

17-IV- I Deposits and Investments

Finding: \$111,751 of District deposits in a credit union were uninsured and not covered by a letter of credit.

Recommendation: The District should obtain a letter of credit for the uninsured amounts deposited with a credit union or move the deposits to an institution covered by Chapter 12C of the Code of Iowa.

Response and corrective action plan: The District will obtain a letter of credit or move the deposits to insure the deposits.

17-IV-J Certified Annual Report

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

17-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, 2017**

17-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, 2017, the District's financial activity and other required information for the statewide sales, services and use tax revenue are as follows:

Beginning balance	\$ 8,227,448
Statewide sales, services and use tax	16,227,805
Interest earned	18,108
Proceeds from sale of assets	203,329
Miscellaneous revenue	102,426
Public Assistance	25,727
Expenditures/transfers out:	
Capital:	
Buildings	(1,124,047)
Equipment	(2,648,176)
Other improvements	(208,506)
Debt service for school infrastructure, revenue debt	(14,827,294)
Ending balance	<u><u>\$ 5,996,820</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

17-IV-M Deficit Balances

Finding: The Daycare Services Fund has a deficit balance of \$1,102,657 at June 30, 2017 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.

17-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, 2017

17-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).

17-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, 2017**

Current Number	Comment	Corrective Action Plan	Contact Person
Other Findings Related to Statutory Reporting			
17-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 17-IV-G.	Executive Director of Business Services
17-IV-I	Uninsured deposits in a credit union were not covered by a letter of credit.	See response and corrective action plan at 17-IV-I.	Executive Director of Business Services
17-IV-M	The Daycare Fund has a deficit balance at June 30, 2017, due to IPERS net pension liability.	See response and corrective action plan at 17-IV-M.	Executive Director of Business Services

