



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, 2019



**Cedar Rapids
Community School District**

Every Learner: Future Ready

Cedar Rapids Community School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

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December 4, 2019

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, 2019. 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, 2019.

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, 2019. 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 2019 certified enrollment of 16,963 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, three elementary "magnet schools" called Johnson STEAM (Science, Technology, Engineering, Arts and Music) Academy that opened at the beginning of the 2014-2015 school year, Kenwood Leadership Academy that opened at the beginning of the 2016-2017 school year and Cedar River Academy that opened at the beginning of the 2018-2019 school year. The District also has two magnet middle schools called Roosevelt Middle School Creative Corridor Business Academy opened its doors at the beginning of the 2017-2018 school year and McKinley STEAM Academy that opened its door at the beginning of the 2018-2019 school year. 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 \$84,500, and also providing over 8,000 jobs indirectly. Fortune 500 company Collins Aerospace has a significant presence 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 Brucemore, a National Trust Historic Site, among others. Cedar Rapids is also home to the Cedar Rapids Museum of Art, The Cedar Rapids Ceramics Center, Legion Art's CSPA Hall, the National Czech & Slovak Museum & Library, the African American Historical Museum, Kirkwood Community College's Iowa Hall Gallery, and the legendary Grant Wood Studio at 5 Turner Alley. These Cedar Rapids venues have recently hosted world class and award nominated exhibitions, including the works of Andy Warhol, Grant Wood, and the Iowa Biennial, among others. The Cedar Rapids Museum of Art houses the largest collection of Grant Wood paintings in the world. The 1920s Paramount Theatre is home to the Orchestra Iowa and the Cedar Rapids Area Theatre Organ Society. Concerts and events such as high school graduations, sporting events, exhibitions, and political rallies are held in the U.S. Cellular Center, formerly known as The Five Seasons Center.

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

The city's association with high technology dates to the early years of Collins Radio Company. Today, Collins is part of Collins Aerospace Systems, recently known as 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, Collins Aerospace Systems' communication systems transmit almost 70 percent of all U.S. and allied military airborne communication. Rockwell Collins was purchased by United Technologies Corp. The deal was announced back in September of 2017. The shareholders overwhelmingly approved the sale in January 2018. The deal was finalized on November 27, 2018.

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 133,174 in 2018. According to information from Woods and Poole for 2019, 273,270 residents live in the greater Cedar Rapids metropolitan area. The Cedar Rapids metro area population has seen an increase of 5.7% since 2010.

According to Woods & Poole Economics, retail sales in the Cedar Rapids metropolitan area (as measured in 2009 dollars) increased from \$6.06 billion in 2018 to \$6.14 billion in 2019. The three largest sectors of retail sales were Non-Store Retailers at \$2.16 billion, Motor Vehicles and Parts at \$939.11 million and General Merchandise Stores at \$644.13 million.

According to Woods & Poole Economics, mean household income, (as measured in 2012 dollars) in the Cedar Rapids metropolitan area for 2019 was \$113,337 up slightly from \$112,360 in 2018. Income per capita, (also measured in 2012 dollars) shows an increase from \$47,563 in 2018 to \$48,339 in 2019. Total employment in the Cedar Rapids metropolitan area increased from 184,091 in 2018 to 187,270 in 2019. Information from the Bureau of Labor Statistics, show a slight increase in unemployment rates in the Cedar Rapids metropolitan area from 2.6% in July 2018 to 2.9% in July 2019.

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 214 permits issued in 2017 to 134 permits in 2018. The value of the permits issued decreased from \$22,667,477 to \$14,866,721. New multi-family housing starts in the City of Cedar Rapids

declined from 42 in 2017 to 34 in 2018. The value of these permits decreased from \$7,455,378 to \$5,083,622 respectively.

Building permits issued by the City of Cedar Rapids for all “repairs, remodeling & additions” decreased from 3,954 permits valued at \$18,958,658 in 2017 to 2,419 permits valued at \$12,541,199 in 2018.

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!

MOODY” S AFFIRMS Aa3 RATING

On August 13, 2019, Moody’s affirmed the Aa3 rating on Cedar Rapids Community School District’s General Obligation debt. According to Moody’s, the Aa3 rating is reflective that the District has a strong cash and fund balance, above median tax base, and low debt burden. The District’s financial position is expected to remain sound with the focus of aligning expenses with revenues.

INFINITE CAMPUS REPLACING POWERSCHOOL

Infinite Campus is a district-wide student information system designed to manage attendance, grades, schedules, assessments and other information about our students. Parents/guardians have access to "Campus Parent" which is a confidential and secure website that allows parents/guardians to log in and view their child's progress in school. There is also an app available for both IOS and Android devices.

Logging into "Campus Parent" allows viewing real-time information about child:

- Demographics
- Grades
- Report Cards
- Schedules
- Attendance
- Assignments



THERESA KEELEY RECEIVES LIFETIME ACHIEVEMENT AWARD

April 16, 2019

Congratulations to Theresa Keeley for receiving the 2019 Lifetime Achievement Award from the Iowa Association of Alternative Education (IAAE).

Theresa currently works at Polk Alternative Education Center but may be best known for her 28 years at Metro High School. She started her relationship with the alternative high school as a student but then returned a few years later as an educator. Theresa is Lead teacher in the suspension – expulsion program SOAR (Student Opportunities for Academics and Restoration).

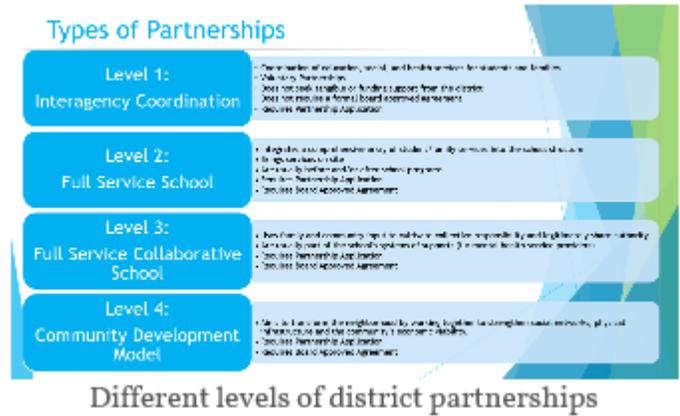


Theresa says the award is, “Humbling...to be recognized for doing what I love, with kids I love and being passionate about doing what is best for them.”

CEDAR RAPIDS LAUNCHES NEW RFP PROCESS FOR COMMUNITY PARTNERSHIPS

As a means of addressing the ever-evolving needs of Cedar Rapids Community School District (CRCS) students and to stay focused on equity and safety, our process for working with community partners is changing.

CRCS seeks opportunities to partner with community organizations for the purpose of supporting student social, emotional and academic growth and achieving our mission of Every Learner, Future Ready. All organizations with an interest in being identified as a district partner should complete a Partnership Application - this information will also be shared publicly to allow families easier access to programs and services that meet the unique needs of each student.



Partner organizations may range from those that collect and donate supplies and materials to those who provide onsite consultation or direct student support. CRCS has a limited amount of funding to help offset the cost of priority services for at-risk students, which requires submission of a proposal that demonstrates strong outcomes and alignment with the district strategic plan.

For the upcoming year and beyond, CRCS has created a more consistent process for partnering with community organizations who provide services to our students. The process was developed with the following considerations:

- Student safety
- Equitable opportunities for community organizations to partner with CRCS
- Increased family engagement in identifying and coordinating student supports Improved accountability for intended organizational outcomes
- Greater opportunities to celebrate and recognize community-school collaborations

2019 SCHOLASTIC ART AND ALL STATE ART AWARDS ANNOUNCED!

April 9, 2019

The Lifetime Achievement Award is presented annually by the IAAE to alternative educators who have made a major contribution to the area of alternative education during their professional career.

Students are nominated by their teachers, and then submit a portfolio of 10 digital images of their work and 3 essays on their artistic experiences. These portfolios will be judged by college professors and working artists. The top 20% will be selected as the All State Art Team, and will be honored at an awards ceremony at the Des Moines Art Center. These students will receive scholarship offers, a personalized plaque, and a large poster of their artwork.

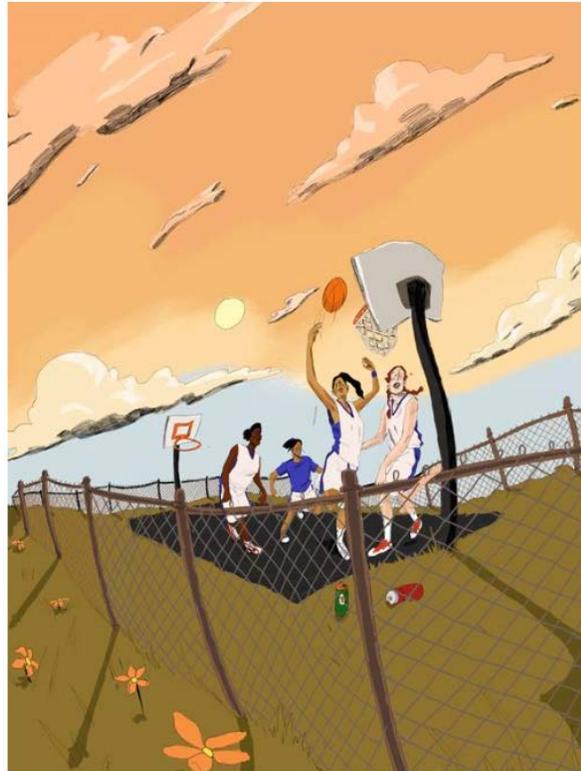
Two Cedar Rapids Community School District students placed in this year's competition. Washington senior Hunter Bartlett was 4th and Kennedy student Christian Cahalan was 15th.

2019 Scholastic Art Region-at-Large

Gold Key works automatically advance to national judging. In New York City, nationally renowned creative professionals review Gold Key works from across the country. Jurors select work for national recognition based on three criteria: Originality, Technical Skill, and Emergence of a Personal Vision or Voice.

Students and Teachers were recognized at the Belin-Blank Center Ceremony: "A Scholastic Celebration in Three Acts" on Saturday, March 10th at the University of Iowa.

Washington Senior Hunter Bartlett earned Gold Keys for her work titled Artist House and Basketball Gals.



IOWA ELEMENTARY PRINCIPAL OF THE YEAR LEADS CEDAR RAPIDS SCHOOL

April 08, 2019

Candace Lynch, principal of Johnson STEAM Academy in Cedar Rapids, has been named the 2019 Iowa Elementary Principal of the Year by the School Administrators of Iowa.

“Mrs. Lynch is a phenomenal choice to represent Iowa as the Elementary Principal of the Year. Her accomplishments, and those of the academy’s entire learning community, are a model of embracing the opportunities they can provide. She inspires people to see and bring out the potential in each and every child,” said SAI Executive Director Roark Horn.

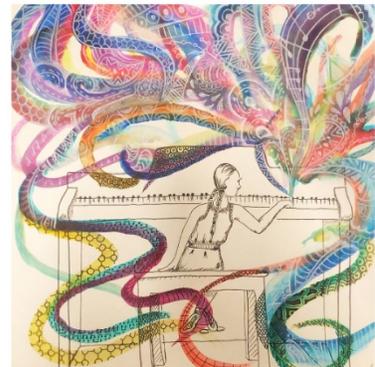


“I am blessed to learn, work, and grow beside the most outstanding educators, students, families, and community members around. Together we have built a school community that puts our children first through igniting passions, cultivating character, and helping them to achieve their dreams in an innovative learning environment. I am beyond humbled to represent our school learning community through receiving this award,” Lynch expressed.

KENNEDY STUDENT WINS CORRIDOR ART JAZZ CONTEST

February 22, 2019

Congratulations to Rebecca Warfield of Kennedy High School for being chosen as the winner of the 2019 Corridor Jazz Project CD Cover design. Rebecca will receive a \$100 cash prize from KCKK-FM. Her design will serve as the cover of the “The Corridor Jazz Project XII”, a compilation of recordings from the top jazz bands from Jefferson, Kennedy, Prairie, Xavier and Washington High Schools in Cedar Rapids, Linn-Mar and Marion in Marion; Iowa City High, Iowa City West High, Liberty High, Solon, Mt. Vernon, and Lisbon.



2019 Corridor Jazz Art Cover
© Rebecca Warfield

Receiving Honorable Mention in the contest were eleven other students:

- Madison Bartlett, Washington
- Gabe Nickels, Kennedy
- Zavier Burris, Marion
- Sara Rosenthal, Kennedy
- Ashley Gordon, Marion
- Aaron Stockwell, Kennedy
- Hannah Dighton, Lisbon
- Grayson Taylor, Kennedy
- Emily Durscher, Kennedy
- Samantha Witcher, Marion
- Adam Klees, Kennedy

TWO ELEMENTARY SCHOOLS NAMED MAGNET SCHOOLS OF DISTINCTION

Johnson STEAM Academy and Kenwood Leadership Academy have both been named a National Magnet School of Distinction by Magnet schools of America.

To receive a national merit award, the schools must submit a detailed application that is scored by a panel of educators. They are then judged and scored on their demonstrated ability to raise students' academic achievement, promote racial and socioeconomic diversity, provide integrated curricula and instruction, and create strong family and community partnerships that enhance the school's magnet theme.



[Johnson STEAM Academy \(JSA\)](#) is in its fourth year as a magnet school. JSA's mission is to guide all learners to discover their passions through innovative learning experiences through the lens of integrated theme-based STEAM learning experiences. JSA is committed to high-quality learning, relationships, partnerships, and an engaging community learning environment. JSA is viewed as a leader in innovative educational practices at the local, state, and national level.

[The Kenwood Leadership Academy \(KLA\)](#) community is in their third year as a magnet school. They're on a mission to see, inspire, and empower the lifelong learner and leaders in all of their students. KLA utilizes the 7 Habits of Highly Effective People and The Leader in Me philosophy to build leadership skills and dispositions while engaging in teacher and learning. Staff and students are empowered to lead their learning, developing 21st century skills and sharing their learning and leadership with the community.

"Our students, staff, families, and community should all celebrate this award as they all played an important part in our outcomes over the past three years that led to this award," said KLA Principal David Brandon.

JEFFERSON ADMINISTRATOR RECOGNIZED

Congratulations to Jefferson High School's, Chris Deam for being recognized as a Certified Master Athletic Administrator (CMAA) by The National Interscholastic Athletic Administrators Association (NIAAA). Chris is the J-Hawk's Activities Director/Associate Principal.

Press Release from NIAAA-

"INDIANAPOLIS, IN -- The National Interscholastic Athletic Administrators Association (NIAAA) is pleased to announce that Chris Deam, Activities Director/Associate Principal at Cedar Rapids Jefferson High School, has been recognized by this association as a Certified Master Athletic Administrator.

To earn this distinction, Chris has demonstrated exemplary knowledge, contributions and on-going professional development in the field of interscholastic athletic administration. The voluntary certification process included a thorough evaluation of the candidate's educational background, experience, NIAAA Leadership Courses and professional contributions. It is culminated with a practical written or oral presentation project.

Chris is one of a very elite group of interscholastic athletic administrators nationwide to attain this level of professionalism.

The NIAAA is a national professional organization consisting of all 50 state athletic administrator associations and more than 10,000 individual members. It is dedicated to promoting the professional growth of high school athletic administrators and preserving the educational nature of interscholastic athletics and the place of these programs in the secondary school curriculum." [#WeAreCRCSD](#) [#DifferenceMakersJefferson High School](#)



WASHINGTON EDUCATOR SELECTED

Valerie Nyberg, associate principal at Cedar Rapids Washington High School, is the 2018-19 Iowa Assistant Secondary Principal of the Year as named by the School Administrators of Iowa.

"I am humbled and honored to be selected as the 2019 Assistant Secondary Principal of the Year. Every day I have the opportunity to work alongside the admin team, faculty, and staff at Washington High School who are all in as we meet the complex realities of teaching and learning amidst an environment of competing needs including teaching content, addressing students' and their families' underlying socio-emotional needs, and working hard to overcome historical inequities," Nyberg said.

"For Dr. Nyberg, leadership is all about building relationships with staff and students. Not only does she model this core philosophy in her day-to-day work, she also motivates and inspires others to lead as she does," expressed SAI Executive Director Roark Horn.



A committee of Iowa assistant secondary principals selected Dr. Nyberg for the award. She will be recognized at a governor's ceremony in the spring and at SAI's Annual Conference, July 31, 2019. As Iowa's recipient, Nyberg is a candidate for National Assistant Principal of the Year, an award sponsored by the National Association of Secondary School Principals. She will have an opportunity to attend the organization's annual conference and be recognized at the event.

CEDAR RAPIDS TEACHER WINS STATEWIDE AWARD

October 18, 2018

On Monday, October 8th, Joan Stekl, a family and consumer sciences teacher at Cedar Rapids Washington High School, was awarded the 2018 ProStart Educator of Excellence Award by the Iowa Restaurant Association Education Foundation. Stekl was presented the award at a ceremony in Des Moines by the Incoming Chairman of the National Restaurant Association Board of Directors Joe Essa of Wolfgang Puck Worldwide and the Current Chairman of the Iowa Restaurant Association Board of Directors Darin Beck of Barmuda companies.



Joan Stekl (middle) receives the award.

ProStart is a career and technical education program which offers students four semesters of restaurant management and culinary arts education. Students must complete a 400-hour internship, exhibit competency in more than 60 culinary techniques, and take two standard exams to earn their ProStart Certificate. With that certificate, they can receive up to 15 hours credit at many culinary schools across the state.

Stekl helped introduce the ProStart program to the Cedar Rapids school district. She uses traditional classroom teaching methods but has also secured other unique hands-on culinary experiences for her students with major foodservice distributors and award-winning chefs. Her students have collaborated with a Cedar Rapids chef to prepare the hors-d'oeuvres at fundraising events, attended professional development seminars and competed in state competitions.

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. The level of budgetary control, (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. 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 regard 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 regard 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 dropped slightly from 15.09% on June 30, 2018 to 13.88% on June 30, 2019.

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 \$11.2 million on June 30, 2017 to \$15.01 million on June 30, 2018 to \$17.11 million on June 30, 2019. This improved reserve level now equates to 8.0% 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, 2019.

According to the Statement of Activities, Districtwide interest and investment revenue totaled \$1,507,660 for the year ending June 30, 2019. This compares to \$637,513 from the prior year.

General Fund Budgetary Highlights

Of all Governmental Funds, the General Fund is by far the largest, approximately 87.1% 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 FY2019.

Planning for the fiscal year 2020 budget was less challenging than one might expect given the low level of State Supplemental Aid growth of 2.14% 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, average employee compensation settlement was 1.51% with settlements ranging from a 1.50% increase with our custodians, confidential secretaries, and administrative staff to a 1.60% increase for our teachers. These settlements allowed the District to balance the General Fund budget without any staff reductions.

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, absorbing the non-instructional software expenses from SAVE funds, implementation of sub taskforce recommendation, and making a commitment to building security. 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 2019 shows for the second time in seven years, a summary of “spending increases” not spending cuts. The net increase of \$2,263,241 in planned new programs and initiatives still providing for reserves equal to Fiscal Year 2018.

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 FY2019 of \$32.67 million representing 15.4% of fund expenditures. The FY2020 budget adjustments (entitled FY2020 General Fund Budget Planning Scorecard) reflect the District’s continued commitment to maintain a strong fund reserve position in FY2020.

| Fiscal Year | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fund Balance | \$6.9 | \$9.1 | \$11.1 | \$3.5 | \$7.7 | \$17.0 | \$25.6 | \$31.4 | \$33.8 | \$32.67 |
| % of fund expenditures | 3.8% | 5.0% | 6.1% | 1.9% | 4.1% | 8.9% | 13.2% | 15.8% | 16.5% | 15.4% |

General Fund Statistics

- General Fund expenditures, excluding other financing uses, totaled \$212.6 million for the fiscal year compared with \$204.9 million in FY2018, representing an increase of \$7.7 million or 3.8% over the prior year.
- General Fund revenues, excluding other financing sources, totaled \$208.7 million for the fiscal year compared with \$204.7 million in the previous year, representing an increase of \$4 million or 1.9% over the prior year.
- The two largest revenue categories of the General Fund were Local Taxes, (property tax, and income surtax) at \$71.6 million and State Foundation Aid at \$84.7 million. These two categories alone make up 74.9% of all General Fund revenues collected, (excluding other financing sources).

Fiscal Year 2020: General Fund Budget Planning Scorecard (revised 4-12-19)

Assumes 2.06% SSA & +\$5 per pupil revenue growth. Total compensation growth of 1.60%

| | Dollars | FTE |
|--|--------------------|---------------|
| Estimated pre-scorecard change in FY2020 Est. Unspent Balance above FY 18 | \$2,263,241 | |
| New Revenue Sources | | |
| 1 Instructional Material Fee increase by CPI-U | \$10,555 | |
| 2 United Way contribution towards Data Analysts (MEM) | \$0 | |
| 3 Cellular Extension on Kingston Tower - Grain management - proposed | \$9,000 | |
| Total New Revenue | \$19,555 | |
| New Costs for Additional Programs & Services | | |
| 1 Fleet Van Supervisor- | \$75,000 | 1.0000 |
| 2 Dispatch Secretary | \$60,000 | 1.0000 |
| 3 New ERS System | \$600,000 | |
| 4 20 Vans | \$536,680 | |
| 5 Expand Temp Position to either .5 or 1.0 | \$30,000 | |
| 6 Crisis Communication Tool | \$40,000 | |
| 7 Website Overhaul | \$80,000 | |
| 8 ERP Systems Support | \$75,000 | |
| 9 Registrar | \$50,000 | 1.0000 |
| 10 Assessment | \$400,000 | |
| 11 MS Show Choir Support | \$50,000 | |
| 12 City Bus Passes | \$50,000 | |
| 13 HSAP | \$45,000 | 0.5000 |
| 14 Bully & Harassment Specialist | \$60,000 | 1.0000 |
| 15 At-Risk Contingency Budget | \$125,000 | |
| Total New Expenditures | \$2,276,680 | 4.5000 |
| Net New Costs | \$2,257,125 | 4.5000 |
| Balance to increase (decrease) Unspent Balance | \$6,116 | |

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. On April 25, 2019, the legislature approved HF546, which extended SAVE funding once again until December 31, 2050. This new law provides for an additional 21 years of SAVE funding to all of the Iowa School Districts.

On November 5, 2019, 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 December 31, 2030 to continue investing in District infrastructure and technology while allowing for property tax relief. It is estimated that the District will receive \$882.8 million in SAVE revenues from inception of the SAVE tax in Linn County through December 31, 2050.

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 \$123.3 million through December 31, 2050 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 was used for this purpose through June 30, 2018.

Technology for Classrooms

Total actual and allocated investment in technology through December 31, 2050 is \$113.7 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 \$233.97 million since SAVE inception through December 31, 2029. With the extension of the SAVE funds through December 31, 2050, the District will continue to support the same types of projects along with meeting the needs of the Facility Master Plan.

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.

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. The theme of this new initiative is Reimagine, Re-Envision, and Reinvest in our students and school facilities. A committee of approximately 85 volunteers met several times since the fall of 2016 to help craft a Facilities Master Plan. A Facilities Master Plan was submitted to the Board of Education for consideration on December 11, 2017 and adopted on January 22, 2018.

The Board approved the issuance of \$25 million in bonds for the construction of the new Coolidge Elementary, the first school listed in the Facility Master Plan. The new Coolidge Elementary School should be opened the start of 2021 – 2022 school year.

More information on the Facilities Master Plan can be found at:

<https://crfuturereadyschools.com/>

Enterprise Operation Budgetary Highlights

Nutrition Services Fund

Revenues which include operating revenues, non-operating revenues, transfers in and capital contributions totaled \$9,400,663 compared to \$9,104,639 in the previous year representing an increase of \$296,024 over the fiscal year 2018 amount. Expenses which include operating expenses and transfers out totaled \$9,110,286 compared to \$8,547,608 in the previous year representing an increase of \$562,678 from the fiscal year 2018 amount. Net position was \$1,581,326 at June 30, 2019 up from \$1,290,949 in the prior fiscal period.

Meal prices were increased for FY2019 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 \$4,628,016 compared to \$4,664,145 in fiscal year 2018. Expenses which include operating expenses and transfers out totaled \$4,605,619 compared to \$4,600,701 in fiscal year 2018.

Net position was -\$1,016,816 at June 30, 2019 compared to -\$1,039,213 in the prior fiscal period. The net position has been reduced \$2,763,338 to comply with GASB68 which requires the District to restate the fund balance to reflect fund's theoretical share of IPERS pension liabilities.

The District serves as the fiscal agent for the Collins Aerospace Daycare program which is financially guaranteed by Collins Aerospace. 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 2018, the District used a total of \$40 million in SAVE revenues for property tax relief. The District's property tax rate remains unchanged from the previous fiscal year at \$15.07 per \$1,000 of taxable valuation.

Total District Property Tax Levy Rate Trends

| Fiscal Year | FY16 | FY17 | FY18 | FY19 | FY20 |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| Tax Rate | \$15.38 | \$15.38 | \$15.38 | \$15.07 | \$15.07 |

Total District property taxes collected in FY2019 were \$84,280,063 an increase of \$1,583,273 from FY2018 when \$82,696,790 in property taxes were collected.

Debt Administration:

On June 30, 2019 the District had \$125,282,671 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, 2019: \$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, 2019: \$11,842,461
- \$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, 2019: \$52,605,000
- \$13,935,000 in General Obligation Refunding Bonds dated May 1, 2016 and payable through June 30, 2021. Principal outstanding on June 30, 2019: \$5,300,000
- \$25,185,000 in local option sales tax (SAVE) backed revenue bonds dated June 28, 2019 and payable through June 30, 2030. Principal outstanding on June 30, 2019: \$25,185,000
- \$437,763 in lease purchase agreement financing dated 2019 and payable through June 30, 2023. Principal outstanding on June 30, 2019: \$350,210

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 17 to 105 years with an average age of 62 years. The age of the District's middle school buildings ranges from 54 to 97 years with an average age of 80 years. The age of the District's high schools ranges from 41 to 60 years with an average age of 56 years. Metro High School, the District's alternative high school is 48 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 \$516,902,063.

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 16,963, 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%, FY19: 1.08% & FY20: 2.14%. 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 2018. 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 FY2020'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. In April of 2019, the legislature passed HF 546 which extended the SAVE revenue through December 31, 2050. This new law overrides the original voter approval term, thus providing for an additional 21 years of SAVE funding to the District. Due to passage of HF2663 and HF 546, it is estimated (based upon revenue estimates provided by the state) that total revenues related to SAVE through December 31, 2050 will be \$882.8 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 FY2020 the District did not see an increase in health insurance premiums, which is the second consecutive year with no increases. 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. Both the national and State economy is currently strong, despite a softening in the farm economy. The State has their emergency funding buckets full and has over \$400 million dollars in unreserved funds at the close of their 2019 fiscal year and the sales tax revenue collections are surpassing the Revenue Estimating Committee estimates for the year.

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 OMB Circular A-133. The auditor's report on the basic financial statements and combining and individual fund statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in a separate section for internal controls and compliance.

Certificate of Excellence in Financial Reporting The Government Finance Officers Association of the United States and Canada, (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International, (ASBO) awards a Certificate of Excellence in Financial Reporting. The Cedar Rapids Community School District received both of these Certificates for its comprehensive annual financial report for the fiscal year ending June 30, 2018. This was the twenty-fourth 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.



David Nicholson
Executive Director of Business
Services, Board Treasurer



Noreen Bush
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, 2018

Christopher P. Morill

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, 2018.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



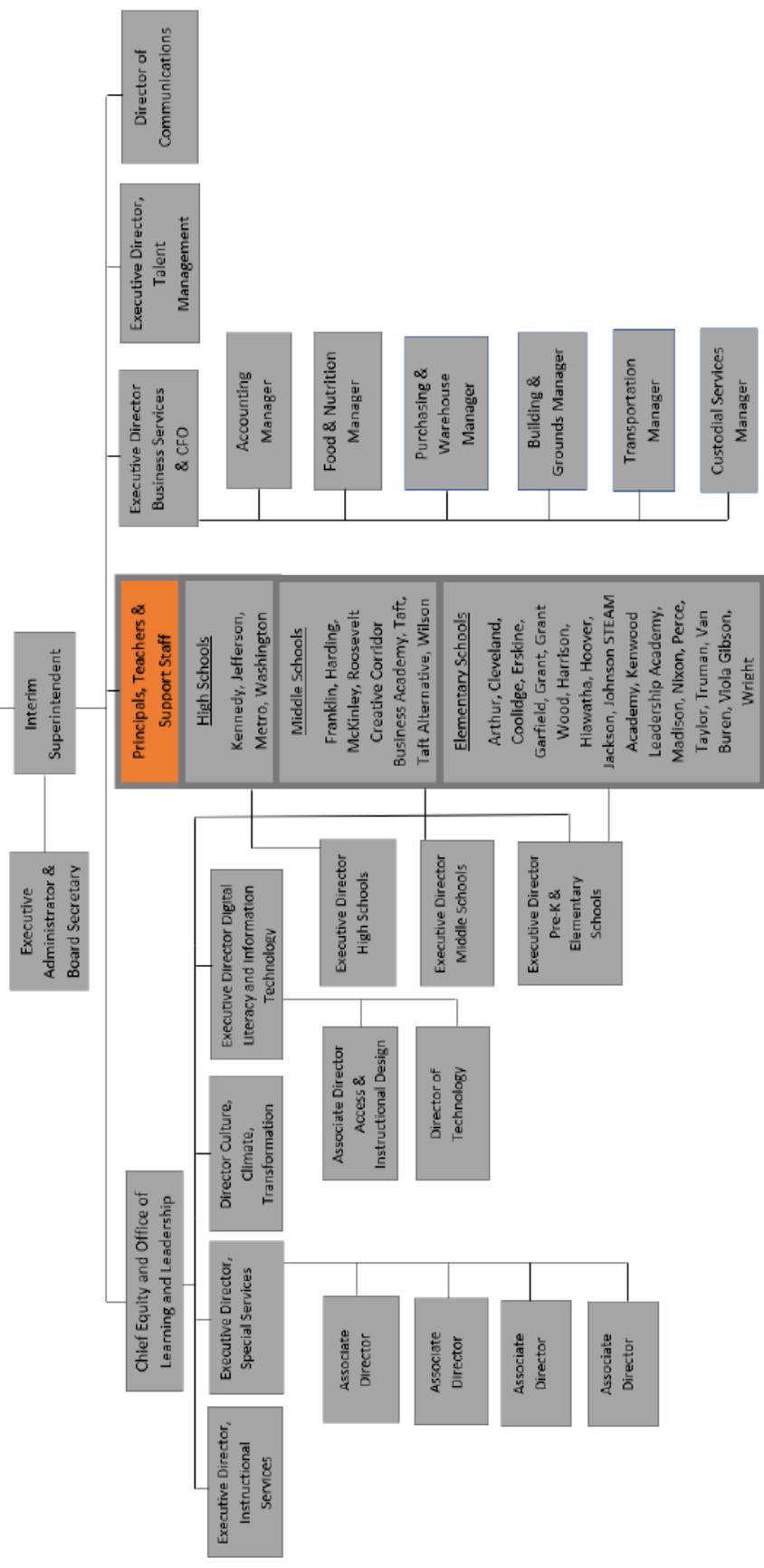
A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, appearing to read 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer

**Cedar Rapids Community School District
Board of Education**



Cedar Rapids Community School District

**Board of Education and District Officials
Year Ended June 30, 2019**

| Name | Title | Term Expires |
|---|------------------------|---------------------|
| Board of Education (Before September 2018 organizational meeting) | | |
| 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 |
| Board of Education (After September 2018 organizational meeting) | | |
| Nancy Humbles | President | 2021 |
| Mary Meisterling | Vice-President | 2019 |
| Gary Anhalt | Director | 2021 |
| Rafael Jacobo | Director | 2019 |
| Kristen Janssen | Director | 2019 |
| John Lavery | Director | 2019 |
| Jennifer Borcharding | Director | 2021 |
| District Officials | | |
| Noreen Bush | Interim Superintendent | |
| Laurel Day | Board Secretary | |
| David Nicholson | Board Treasurer | |

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, 2019, 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, 2019, 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's contributions, and the schedule of changes in the District's total other postemployment benefit plan liability and related ratios, 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 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, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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, 2019

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2019

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, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

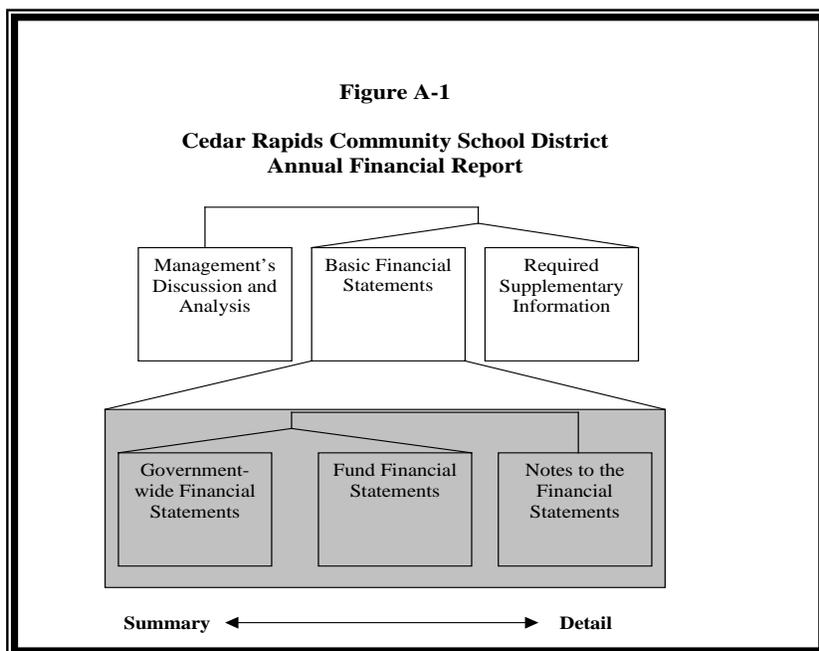
Overview of the Financial Statements

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

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

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

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



Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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The District has three kinds of funds:

Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information following the governmental funds statements explains the relationship (or differences) between them.

Proprietary funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Government-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds*, (the other kind of proprietary fund) are optional and available to report activities that provide supplies and services for other District programs and activities. At this time the District chooses not to use any internal service funds.

Fiduciary funds: The District is the trustee, or *fiduciary*, for assets that belong to others, such as a scholarship fund. The District accounts for outside donations to specific District schools for specific purposes in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

An increase of 13.6% or \$8.7 million in the District's net position is evidenced in Figure A-3. Net Position increased in large part due to the improvement of the SAVE fund ending balance which grew by \$7.38 million excluding the issuance of \$25.185 million in SAVE revenue bonds. Current liabilities increased by 34.0% over the prior period. This was due to the increase in the current portion of long-term obligations. In addition, Noncurrent Liabilities increased \$18.00 million or 7.7% over the prior period. This was due to

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

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change 2018-2019 |
|--------------------------------------|-------------------------|---------------|--------------------------|--------------|-----------------------|---------------|-----------------------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | |
| Current and other assets | \$194.7 | \$235.1 | \$3.9 | \$4.3 | \$198.6 | \$239.4 | 20.5% |
| Capital assets | 195.7 | 192.5 | 1.1 | 1.0 | 196.8 | 193.5 | -1.7% |
| Total assets | 390.4 | 427.6 | 5.0 | 5.3 | 395.4 | 432.9 | 9.5% |
| Pension related amounts | 32.9 | 29.1 | 1.9 | 1.3 | \$34.8 | 30.4 | -12.6% |
| Other post employment benefit amount | 0.0 | 16.7 | 0.0 | 0.0 | \$0.0 | 16.7 | 100.0% |
| Deferred amount on refunding | 2.8 | 2.4 | 0.0 | 0.0 | \$2.8 | \$2.4 | -14.3% |
| Total deferred outflows | 35.7 | 48.2 | 1.9 | 1.3 | 37.6 | 49.5 | 0.0% |
| Current liabilities | 36.9 | 49.6 | 0.5 | 0.5 | 37.4 | 50.1 | 34.0% |
| Noncurrent Liabilities | 228.7 | 247.1 | 5.7 | 5.3 | 234.4 | 252.4 | 7.7% |
| Total liabilities | 265.6 | 296.7 | 6.2 | 5.8 | 271.8 | 302.5 | 11.3% |
| Property taxes | 84.4 | 86.3 | 0.0 | 0.0 | 84.4 | 86.3 | 2.3% |
| Income surtaxes | 7.5 | 7.3 | 0.0 | 0.0 | 7.5 | 7.3 | -2.7% |
| Pension related amounts | 4.8 | 9.0 | 0.5 | 0.3 | 5.3 | 9.3 | 75.5% |
| Other post employment benefit amount | 0.2 | 4.4 | 0.0 | 0.0 | 0.2 | 4.4 | 200.0% |
| Total deferred inflows | 96.9 | 107.0 | 0.5 | 0.3 | 97.4 | 107.3 | 10.2% |
| Net position | | | | | | | |
| Net investment in capital assets | 90.6 | 101.5 | 1.1 | 1.0 | 91.7 | 102.5 | 11.8% |
| Restricted | 22.5 | 33.8 | 0.0 | 0.0 | 22.5 | 33.8 | 50.2% |
| Unrestricted | (49.5) | (63.2) | (0.8) | (0.5) | (50.3) | (63.7) | 26.6% |
| Total net position | \$63.6 | \$72.1 | \$0.2 | \$0.5 | \$63.9 | \$72.6 | 13.6% |

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.

an increase in the noncurrent portion of long-term obligations reflective of the District's long-term debt obligations.

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Changes in Net Position, as shown in Figure A-4, show that the District experienced an increase of \$8.9 million in net position. This compares to a \$10.8 million increase in net position in the previous fiscal year.

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

| | Governmental Activities | | Business-type Activities | | Total School District | | Percentage Change 2018-2019 |
|----------------------------------|-------------------------|----------------|--------------------------|---------------|-----------------------|----------------|--------------------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | |
| Revenues | | | | | | | |
| Program revenues | | | | | | | |
| Charges for services | \$10.3 | \$10.3 | \$7.2 | \$6.9 | \$17.5 | \$17.2 | -1.9% |
| Operating Grants & Contributions | 32.8 | 34.3 | 6.2 | 6.9 | 39.0 | 41.3 | 5.8% |
| Capital Grants & Contributions | - | - | 0.2 | - | 0.2 | - | -100.0% |
| General revenues | | | | | | | |
| Taxes | 105.9 | 109.6 | - | - | 105.9 | 109.6 | 3.5% |
| State formula aid not restricted | 92.8 | 92.8 | - | - | 92.8 | 92.8 | 0.1% |
| Other | 5.3 | 5.7 | 0.1 | 0.1 | 5.4 | 5.8 | 7.3% |
| Total revenues | 247.1 | 252.7 | 13.7 | 13.9 | 260.8 | 266.6 | 2.2% |
| Expenses | | | | | | | |
| Instruction | \$139.7 | \$142.5 | - | - | \$139.7 | \$142.5 | 2.0% |
| Pupil & Instructional Services | 23.5 | 26.4 | - | - | 23.5 | 26.4 | 12.3% |
| Administrative & Business | 31.8 | 36.7 | - | - | 31.8 | 36.7 | 15.3% |
| Maintenance & Operations | 22.0 | 17.9 | - | - | 22.0 | 17.9 | -18.6% |
| Transportation | 8.6 | 9.3 | - | - | 8.6 | 9.3 | 8.0% |
| Other | 11.8 | 11.8 | 12.6 | 13.1 | 24.3 | 24.9 | 2.4% |
| Total expenses | 237.4 | 244.6 | 12.6 | 13.1 | 250.0 | 257.7 | 3.1% |
| Excess before transfers | \$ 9.7 | \$ 8.1 | \$ 1.1 | \$ 0.8 | \$ 10.8 | \$ 8.9 | |
| Transfers In | 0.5 | 0.5 | - | - | 0.5 | 0.5 | 4.8% |
| Transfers out | - | - | (0.5) | (0.5) | (0.5) | (0.5) | 15.0% |
| Total transfers | 0.5 | 0.5 | (0.5) | (0.5) | 0.0 | 0.0 | 0.0% |
| Increase in net position | \$ 10.2 | \$ 8.6 | \$ 0.6 | \$ 0.3 | \$ 10.8 | \$ 8.9 | -17.7% |
| Net Position - Beginning | \$ 53.4 | \$ 63.6 | \$ (0.4) | \$ 0.2 | \$ 53.0 | \$ 63.8 | 12.3% |
| Net Position - Ending | \$ 63.6 | \$ 72.2 | \$ 0.2 | \$ 0.6 | \$ 63.8 | \$ 72.7 | 14.0% |

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.

Total revenues increased by 2.2% over the prior period driven largely by increases in Tax revenues, up 3.5% or \$3.7 million over the prior year. Total expenses increased by 3.1% over the prior year with increases in Administrative and Business up of 15.3% or \$4.9 million. Pupil & Instructional Services expenditures were also up by 12.3% or \$2.9 million. Maintenance & Operations were down by 18.6% or \$4.1 million.

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For Fiscal Year Ended June 30, 2019**

Figure A-5 shows the sources of total District revenues. Local Taxes, is the District’s largest revenue source, comprising 41% of District revenues with State Foundation Aid, the District’s second largest, comprising 35%. Grant revenues from Federal, State and local sources, which continue to play a very important role in funding District programs, represents 15% of District revenues. Charges for services, largely tuition charges, comprise 6% of District revenues.

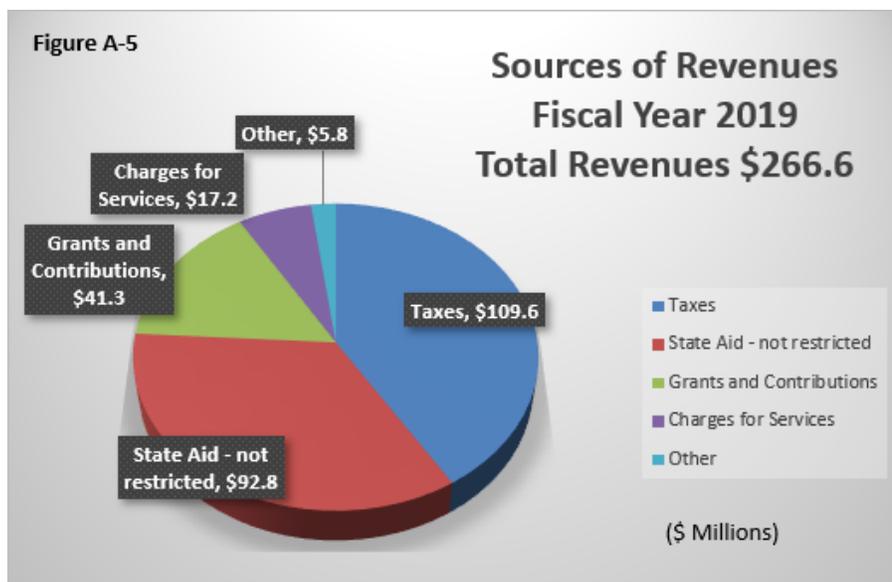


Figure A-6 shows total District expenses. As can be seen, the majority of District resources (65%) are devoted to direct Instruction and Pupil & Instructional Services.

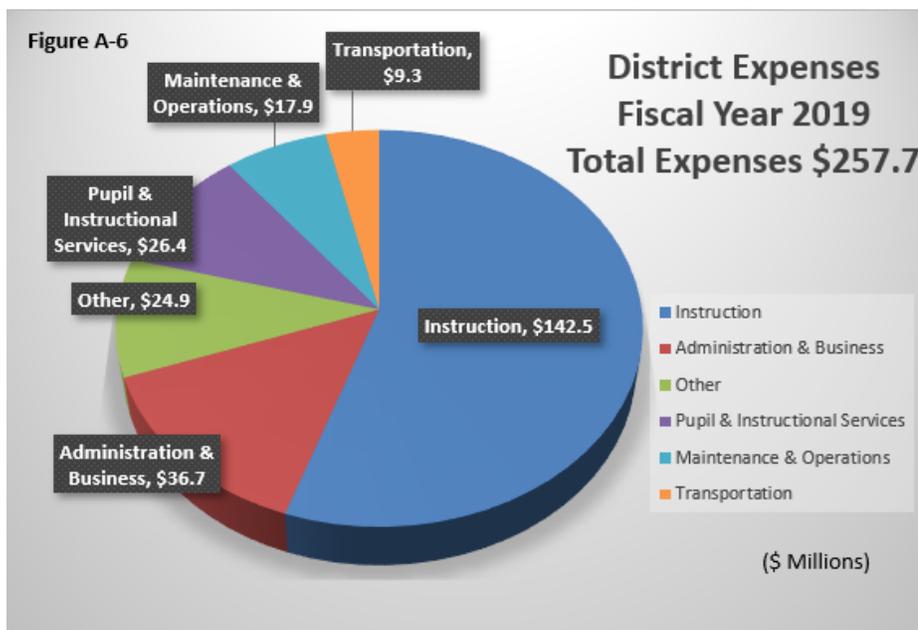
The “Other” expense category is represented by Investments in community services, interest on long term debt and AEA flow through.

AEA flow through expenses of \$7.8 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 \$5.33 billion to \$5.54 billion for FY2019. Overall property tax valuation trends over the past ten years show an average annual increase of 2.7%.



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Management's Discussion and Analysis For Fiscal Year Ended June 30, 2019

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 & 2018. The Tax rate dropped by \$.31 in fiscal year 2019. This was mainly due to the lowering of the Management Fund Levy.

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 \$244.6 million.
- Some of the cost was financed by the users of the District's programs, (\$10.26 million).
- The federal and state governments as well as local sources, subsidized certain programs with grants and contributions, (\$34.3 million).



Cedar Rapids Community School District

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- Most of the District's governmental activities costs however, were financed by District and state taxpayers with \$109.6 million in local and state taxes and \$92.8 million in unrestricted state aid based on the statewide education aid formula as well as other state funding sources.

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

| | Total Cost of Services | | Percentage Change | Net Cost of Services | | Percentage Change |
|--------------------------------|------------------------|----------------|-------------------|----------------------|----------------|-------------------|
| | 2018 | 2019 | 2018-2019 | 2018 | 2019 | 2018-2019 |
| Instruction | \$139.7 | \$142.5 | 2.0 % | \$106.6 | \$108.0 | 1.3 % |
| Pupil & Instructional Services | 23.5 | 26.4 | 12.3 | 22.7 | 25.5 | 12.3 |
| Administrative & Business | 31.8 | 36.7 | 15.3 | 31.7 | 36.6 | 15.4 |
| Maintenance & operations | 22.0 | 17.9 | -18.6 | 22.0 | 17.9 | -18.6 |
| Transportation | 8.6 | 9.3 | 8.0 | 8.5 | 9.2 | 8.3 |
| Other | 11.8 | 11.8 | 0.4 | 2.8 | 2.8 | 0.4 |
| Total | \$237.4 | \$244.6 | 3.0 % | \$194.3 | \$200.0 | 2.9 % |

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

Business-Type Activities

- Business revenues held steady at slightly over \$13 million in both FY2019 and in FY2018. Charges for services were \$6.9 million with Operating grants and contributions, (federal and state subsidies) at \$6.9 million.
- Business expenses were up slightly at \$13.1 million up from 12.6 in FY2018. 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 \$1,581,326 at June 30, 2019 up from \$1,290,949 at June 30, 2018. 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, with the support of the District's SAVE dollars to help offset some of the replacement costs. Currently, the program has equipment valued at \$3.46 million with total accumulated depreciation of \$2.45 million for a net value of \$1.00 million which is down slightly from the previous year.

Other Highlights of the Food and Nutrition Fund include:

- The District served 729,686 breakfasts and 1,834,836 lunches during the 2018-19 school year. In addition, nearly 43,750 evening meals were served to Cedar Rapids youth through the District's partnerships with Boys and Girls Club of Cedar Rapids, Jane Boyd and Young Parents Network and 54,608 meals and snacks were served to the daycare programs.
- Meal prices were increased for FY2019 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.

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- In August of 2018 six (6) buildings additional buildings were enrolled in CEP: Grant, Grant Wood, Cleveland, McKinley, Roosevelt, and Wilson. This brings the total CEP schools in the District to 16 buildings. Through the CEP program we realized a small increase in student breakfast and lunch participation overall.
- Preschool students were moved into the breakfast and lunch program in our CEP schools during the 2018-19 school year. Nearly 36,521 healthy snacks were served to the District's remaining (3) non-CEP 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 serviced the Boys & Girls Club CR to provide over 21,000 breakfasts and 25,500 lunches.
- The Food and Nutrition Department created a new partnership with the afterschool Kids on Course program in five (6) schools to offer healthy snacks.
- The Food and Nutrition Department developed an Equipment Replacement Plan that designates \$100,000 annual to the purchase of new replacement equipment. The financial goal was met in both FY 2018 and FY 2019.

Governmental Fund Highlights

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

Figure A-10

| General Fund Revenues by Source | FY 2019 | | FY 2018 | | Change |
|------------------------------------|----------------------|---------------|----------------------|---------------|-------------|
| | Amount | Percent | Amount | Percent | |
| Local Sources | | | | | |
| Local Taxes | \$71,605,625 | 34.3% | \$69,996,722 | 34.2% | 2.3% |
| Tuition | 4,440,377 | 2.1% | 4,439,683 | 2.2% | 0.0% |
| Student Fees and Activities | 614,140 | 0.3% | 688,400 | 0.3% | -10.8% |
| Investment Earnings | 727,007 | 0.3% | 342,230 | 0.2% | 112.4% |
| Other Local Sources | 3,772,454 | 1.8% | 3,412,360 | 1.7% | 10.6% |
| State Sources | | | | | |
| State Foundation Aid | 84,686,258 | 40.6% | 85,103,402 | 41.6% | -0.5% |
| Salary Improvement Program | 9,745,943 | 4.7% | 9,626,387 | 4.7% | 1.2% |
| Other State Aid | 22,155,078 | 10.6% | 21,533,951 | 10.5% | 2.9% |
| Federal Sources | | | | | |
| Title I | 4,310,932 | 2.1% | 4,122,763 | 2.0% | 4.6% |
| Other Federal Aid | 6,690,643 | 3.2% | 5,474,422 | 2.7% | 22.2% |
| Total Revenues | \$208,748,457 | 100.0% | \$204,740,320 | 100.0% | 2.0% |
| Other Financing Sources | 2,865,779 | | 2,651,143 | | 8.1% |
| Grand Total Resources | \$211,614,236 | | \$207,391,463 | | 2.0% |

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 2.0%, or \$4.01 million in FY2019. In large part it had to do with a 22.2% increase in Other Federal Aid and a 112.4% increase in investment earnings.

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General Fund expenditures by function for fiscal years 2018 and 2019 are summarized in **Figure A-11**. Overall expenditures increased by \$7.75 million or 3.8% over the previous year. Noteworthy changes are an increase of 13.3% or \$683 thousand in Business Services and a 24.9% or \$1.6 million increase in Student Transportation.

| General Fund Expenditures by Function | FY 2019 | | FY 2018 | | Change |
|--|----------------------|----------------|----------------------|----------------|---------------|
| | Amount | Percent | Amount | Percent | |
| Instruction | \$131,947,779 | 62.1 % | \$129,450,755 | 63.2 % | 1.9 % |
| Student Support Services | 7,121,048 | 3.3 | 6,391,036 | 3.1 | 11.4 |
| Instructional Staff Support Services | 17,815,000 | 8.4 | 16,546,356 | 8.1 | 7.7 |
| General Administration | 5,384,869 | 2.5 | 5,193,671 | 2.5 | 3.7 |
| School Administration | 13,017,110 | 6.1 | 12,924,168 | 6.3 | 0.7 |
| Business Services | 5,809,259 | 2.7 | 5,125,849 | 2.5 | 13.3 |
| Operations and Maintenance | 15,979,475 | 7.5 | 15,281,964 | 7.5 | 4.6 |
| Student Transportation | 7,801,314 | 3.7 | 6,243,714 | 3.0 | 24.9 |
| AEA Support - Direct to AEA | 7,754,813 | 3.6 | 7,722,183 | 3.8 | 0.4 |
| Total Expenditures | \$212,630,667 | 100.0 % | \$204,879,696 | 100.0 % | 3.8 % |
| Other Financing Uses | 78,959 | | 112,444 | | 100.0 |
| Total Expenditures and Uses | \$212,709,626 | | \$204,992,140 | | 3.8 % |

Figure A-12 provides a comparison of the Original budget, Re-estimated budget and Actual revenues and expenditures in the General Fund for fiscal year 2019. Overall, Original and Re-estimated budget amounts were very close to actual results. Re-estimated budget revenues were only -0.4% off from actual revenues while Re-estimated budget expenditures were only 1.1% off from actual expenditures. Noteworthy variances within the revenue Re-estimate budget category were tuition, running 17.1% lower than budget and Other local sources, running 19.2% higher than budget. Noteworthy variances within the expenditure re-estimate budget category were Student Support services running 20.8% higher than budget, Operations and Maintenance running 15.4% higher than budget, and Student Transportation running 32.2% higher than 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).

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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 and SAVE Funds are also included in the “major funds” in the “Governmental Funds Group” for the reasons described here.

| | Budget Original | Budget Re- estimated | Original to Re- estimated % Variance | Actual | Re-estimated to Actual % Variance |
|--|----------------------------|---------------------------------|---|----------------------|--|
| Revenues | | | | | |
| Local Taxes | \$71,406,865 | \$71,665,134 | 0.4% | \$71,605,625 | -0.1% |
| Tuition | 4,600,000 | 5,354,500 | 16.4% | 4,440,377 | -17.1% |
| Other local sources | 3,636,106 | 4,289,805 | 18.0% | 5,113,601 | 19.2% |
| State sources | 118,735,235 | 116,512,222 | -1.9% | 116,587,279 | 0.1% |
| Federal sources | 9,350,000 | 11,808,021 | 26.3% | 11,001,575 | -6.8% |
| Total Revenues | \$207,728,206 | \$209,629,682 | 0.9% | \$208,748,457 | -0.4% |
| Other Financing Sources | 2,561,676 | 2,826,002 | 10.3% | 2,865,779 | 1.4% |
| Total Revenues & other sources | \$210,289,882 | \$212,455,684 | 1.0% | \$211,614,236 | -0.4% |
| Expenditures | | | | | |
| Instruction | \$137,042,296 | \$136,295,436 | -0.5% | \$131,947,779 | -3.2% |
| Student Support Services | \$5,928,857 | \$5,896,546 | -0.5% | 7,121,048 | 20.8% |
| Instructional Staff Support Services | \$16,649,529 | \$16,558,792 | -0.5% | 17,815,000 | 7.6% |
| General Administration | \$5,947,664 | \$5,915,250 | -0.5% | 5,384,869 | -9.0% |
| School Administration | \$12,686,220 | \$12,617,082 | -0.5% | 13,017,110 | 3.2% |
| Business Services | \$5,491,062 | \$5,461,137 | -0.5% | 5,809,259 | 6.4% |
| Operations and maintenance | \$13,927,771 | \$13,851,867 | -0.5% | 15,979,475 | 15.4% |
| Student transportation | \$5,931,351 | \$5,899,026 | -0.5% | 7,801,314 | 32.2% |
| Community Services | - | \$0 | - | - | - |
| AEA Support - Direct to AEA | \$8,319,138 | \$7,754,813 | -6.8% | 7,754,813 | 0.0% |
| Total Expenditures | \$211,923,888 | \$210,249,949 | -0.8% | \$212,630,667 | 1.1% |
| Other Financing Uses | 112,444 | 78,939 | -29.8% | 78,959 | 0.0% |
| Total Expenditures & Sources (Uses) | \$212,036,332 | \$210,328,888 | -0.8% | \$212,709,626 | 1.1% |

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2019

Summary of Revenues

In the "All Other Governmental Funds" group as depicted in **Figure A-13**, the District experienced an increase of \$2.5 million in "Total Revenues" from the prior year (excluding other financing sources) but an overall revenue increase of \$27.89 million when all sources are included. This was due to \$25.185 million in SAVE revenue bonds for the construction of a new elementary school. The following points highlight the significant changes from the previous year. (All figures compare total revenues including other financing sources).

| Revenue Source | Major Funds | | Other Governmental Funds | | | Total | % of Total | Dollar Change Previous Yr. |
|----------------------------------|----------------------|---------------------|--------------------------|---------------------|--------------------|---------------------|------------|----------------------------|
| | SAVE | PPEL | Activity Fund | Debt Service | Management | | | |
| Local | \$ 228,981 | \$10,080,856 | \$3,352,150 | \$ 3,723,544 | \$7,414,667 | \$24,800,198 | 30.1 % | \$ 246,832 |
| State | 17,564,112 | 292,016 | - | 100,464 | 228,897 | \$18,185,489 | 22.1 | 1,668,789 |
| Federal | - | - | - | 580,830 | - | \$ 580,830 | 0.7 | (27,806) |
| Total Revenues | \$ 17,793,093 | \$10,372,872 | \$3,352,150 | \$ 4,404,838 | \$7,643,564 | \$43,566,517 | 52.9 | \$ 1,887,815 |
| Bond Proceeds | 25,185,000 | - | - | - | - | \$25,185,000 | 30.6 | 25,185,000 |
| Other Financing Sources | 2,043,754 | 671,528 | - | 10,844,646 | - | \$13,559,928 | 16.5 | 814,390 |
| Total Revenue & Other | \$ 45,021,847 | \$11,044,400 | \$3,352,150 | \$15,249,484 | \$7,643,564 | \$82,311,445 | 100.0 % | \$ 27,887,205 |

- **SAVE Fund** revenues were up \$27.4 million or 155.4% from the previous fiscal year reflecting the bonds proceeds for the new elementary school.
- **Management Fund** revenues were down \$1.74 million or 18.5% from the previous fiscal year reflecting a lower property tax levy of \$.31.
- **Debt Service Fund** revenues were up \$1.56 million or 11.4% from the previous fiscal year reflecting the increase in the long-term debt liabilities.

| Expenditure Function | Major Funds | | Other Governmental Funds | | | Total | % of Total | Dollar Change Previous Yr. | Percent Change Prev. Yr. |
|---------------------------------------|----------------------|---------------------|--------------------------|---------------------|---------------------|----------------------|------------|----------------------------|--------------------------|
| | SAVE | PPEL | Activity Fund | Debt Service | Management | | | | |
| Regular instruction | \$ 2,050,053 | \$ - | \$ - | \$ - | \$ 3,760,241 | \$ 5,810,294 | 14.6% | \$ 749,713 | 14.8% |
| Other instruction | - | - | 3,393,365 | - | - | \$ 3,393,365 | 8.5% | 114,936 | 3.5% |
| Instructional staff services | 1,089,833 | - | - | - | 139,862 | \$ 1,229,695 | 3.1% | 859,116 | 231.8% |
| General administration services | - | - | - | - | 173,022 | \$ 173,022 | 0.4% | (40,480) | -19.0% |
| School administration services | 208,720 | - | - | - | 417,450 | \$ 626,170 | 1.6% | (79,837) | -11.3% |
| Business services | 484,836 | 100,089 | - | - | 178,484 | \$ 763,409 | 1.9% | (297,329) | -28.0% |
| Operations and maintenance | - | 415,945 | - | - | 1,804,247 | \$ 2,220,192 | 5.6% | 250,488 | 12.7% |
| Student transportation | - | 1,591,670 | - | - | 614,608 | \$ 2,206,278 | 5.5% | 696,547 | 46.1% |
| Food Service | - | - | - | - | 89,010 | \$ 89,010 | 0.2% | (32,773) | -26.9% |
| Community services | - | - | - | - | 111,456 | \$ 111,456 | 0.3% | 79,440 | 248.1% |
| Facilities/acquisition | 2,378,220 | 4,386,376 | - | - | - | \$ 6,764,596 | 16.9% | (1,170,416) | -14.8% |
| Debt Service Principal | - | - | - | 4,131,553 | - | \$ 4,131,553 | 10.4% | (4,208,447) | -50.5% |
| Debt Service Interest | - | - | - | 3,704,526 | - | \$ 3,704,526 | 9.3% | (230,578) | -5.9% |
| Bond Issuance Costs | 173,632 | - | - | - | - | \$ 173,632 | 0.4% | 173,632 | 0.0% |
| Total Expenditures | \$ 6,385,294 | \$ 6,494,080 | \$ 3,393,365 | \$ 7,836,079 | \$ 7,288,380 | \$ 31,397,198 | 78.7% | \$ (3,135,988) | -9.1% |
| Other Financing Uses | 6,244,449 | 1,998,728 | - | - | 268,901 | \$ 8,512,078 | 21.3% | (5,942,884) | -41.1% |
| Total Expenditures & Other | \$ 12,629,743 | \$ 8,492,808 | \$ 3,393,365 | \$ 7,836,079 | \$ 7,557,281 | \$ 39,909,276 | 100.0% | \$ (9,078,872) | -18.5% |

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2019

Summary of Expenditures

In the "All Other Governmental Funds" group, as depicted in **Figure A-14**, the District experienced a decrease of \$9.08 million or 18.5% in Total Expenditures including Other Financing Uses from the previous fiscal year. The following points highlight the significant changes from the previous year. (All figures compare total expenditures including other financing uses).

- **PPEL Fund** expenditures decreased \$.83 million or 8.9% less than the previous fiscal period for ongoing commitments to District infrastructure repair and maintenance. The decreased had to do with the timing of summer projects that extended into the next fiscal year.
- **SAVE Fund** expenditures decreased by \$3.6 million or 22.2% less than the previous year due to a \$1.35 million reduction in SAVE funded debt obligation payments and \$1.7 million reduction in technology purchases.

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 a decrease of \$1.1 million from the previous fiscal year. This was a result of the added support needed for special education and English as a second language.

The **Special Revenue Funds** ending balances, (Activity and Management funds combined) experienced a slight increase of \$45 thousand due aligning of management fund taxes with estimated expenses.

| Fund Balances | June 30, 2019 | June 30, 2018 | \$ Increase (Decrease) | % Increase (Decrease) |
|---------------------------------|----------------------|---------------------|---------------------------|--------------------------|
| General Fund | \$32,666,241 | \$33,761,631 | (\$1,095,390) | -3.2% |
| Special Revenue Funds* | 8,699,762 | 8,654,694 | 45,068 | 0.5% |
| Capital Projects Funds** | 49,515,328 | 14,571,632 | 34,943,696 | 239.8% |
| Debt Service Fund | 15,701,410 | 14,739,423 | 961,987 | 6.5% |
| Total | \$106,582,741 | \$71,727,380 | \$34,855,361 | 48.6% |
| *Special Revenue Funds | | | | |
| Activity | \$1,496,939 | \$1,538,154 | (\$41,215) | -2.7% |
| Management | 7,202,823 | 7,116,540 | 86,283 | 1.2% |
| Total | \$8,699,762 | \$8,654,694 | \$45,068 | 0.5% |
| **Capital Projects Funds | | | | |
| SAVE | \$39,779,725 | \$7,387,621 | \$32,392,104 | 438.5% |
| PPEL | 9,735,603 | 7,184,011 | 2,551,592 | 35.5% |
| Total | \$49,515,328 | \$14,571,632 | \$34,943,696 | 239.8% |

Ending balances within the **Capital Projects Funds**, (SAVE and PPEL) increased by \$34.8 million in aggregate. This increase is due to timing of summer projects funded by PPEL and issuance of \$25.185 million in SAVE revenue bonds for the construction of a new elementary school.

Capital Asset and Debt Administration

Capital Assets

As indicated in **Figure A-16**, by the end of 2019, the District had invested, net of depreciation, \$193.5 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 1.6% from the previous year. The District saw decreases in Buildings, while seeing an increase of 53.8% in construction in progress for the facility improvements and 15.6% increase in vehicles.

Cedar Rapids Community School District

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2019**

Figure A-16

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

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change 2018-2019 |
|--------------------------|-------------------------|-----------------|--------------------------|---------------|-----------------------|----------------|--------------------------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | |
| | Land | \$ 10.3 | \$ 10.3 | \$ - | \$ - | \$ 10.3 | |
| Construction in progress | 1.3 | 2.0 | - | - | 1.3 | 2.0 | 53.8% |
| Buildings | 178.5 | 174.0 | - | - | 178.5 | 174.0 | -2.5% |
| Equipment | 1.7 | 1.8 | 1.1 | 1.0 | 2.8 | 2.8 | 0.2% |
| Vehicles | 3.8 | 4.4 | - | - | 3.8 | 4.4 | 15.6% |
| | \$ 195.7 | \$ 192.5 | \$ 1.1 | \$ 1.0 | \$196.7 | \$193.5 | -1.6% |

Note: totals may not add due to rounding.

Since fiscal year 2000 when the District had \$64 million in capital assets net of depreciation, the District has added \$130 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 \$882.8 million in anticipated SAVE and other SAVE fund related revenues through December 31, 2050, the District has already expended and committed \$113.7 million for the purchase of technology equipment, \$310 million for infrastructure improvements, property leases, vehicle repair and non-instructional software, \$40 million to property tax relief and \$192.5 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 \$125.6 million in long debt outstanding compared to \$104.8 million in the previous fiscal year. This represents a decrease of 19.8% over the prior year.

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

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.

Cedar Rapids Community School District

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2019

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. This debt was paid off during FY2018.

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.

On April 24, 2019 the District approved a lease purchase arrangement in the amount of \$414,635 for the purchase new

vehicles for the District. The principal outstanding on June 30, 2019 is \$327,082. This debt is scheduled to be paid off in April of 2023.

On June 28, 2019 the District sold \$28.185 million in SAVE revenue bonds for the construction of a new elementary on the Coolidge Elementary site. This debt is scheduled to be paid off on January 01, 2030.

As of June 30, 2019, the District did not exceed its 5% legal debt margin. The District had \$104.8 million in debt applicable to the 5% statutory limit compared to a debt limit of \$482.5 million. Additional information on long term debt may be found under Note 6 "Bonded and Other Long-Term Liabilities" in the Notes to Basic Financial Statements as well as the statistical section at the end of this report.

Economic Factors and Next Year's Budgets and Rates

- On April 25, 2019, the legislature approved HF546, which extended the SAVE (Secure an Advanced Vision for Education) until December 31, 2050. This will allow the District to move forward with the implementation of the District's Master Facility Plan that was adopted by the Board on January 22, 2018.
- Fiscal Year 2020 compensation increases for all District staff average 1.51% compared to State Supplemental Aid (SSA) "new money" growth of 2.14%. 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 13, 2019 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 to 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 up 5.9% in 2019 and are predicted to increase by 1.5% for FY 2020, based off the October 2019 Revenue Estimating Conference. This does not consider the additional sales tax revenue from internet sales.

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 David Nicholson, Executive Director – Business Services, Cedar Rapids Community School District, 2500 Edgewood Road NW, Cedar Rapids, Iowa 52405.

| | Total School District | | Total Percentage Change |
|------------------------|----------------------------------|----------------------|--|
| | 2018 | 2019 | 2018-2019 |
| School refunding bonds | \$ 8,280,000 | \$ 5,300,000 | -36.0% |
| SAVE Revenue Bonds | 83,669,000 | 107,790,000 | 28.8% |
| QSCB | 11,842,461 | 11,842,461 | - |
| Bond Premium | 1,010,248 | 671,021 | -33.6% |
| Capital Lease | - | 327,082 | NA |
| Total | \$104,801,709 | \$125,930,564 | 20.2% |

Government-Wide Financial Statements





Cedar Rapids Community School District

**Statement of Net Position
June 30, 2019**

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|--------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 115,479,739 | \$ 4,884,561 | \$ 120,364,300 |
| Receivables: | | | |
| Taxes: | | | |
| Current year | 587,300 | - | 587,300 |
| Succeeding year | 93,583,812 | - | 93,583,812 |
| Other | 366,066 | 322,441 | 688,507 |
| Due from other governments | 8,633,057 | 230,849 | 8,863,906 |
| Internal balances | 1,191,055 | (1,191,055) | - |
| Inventories | 245,487 | 81,594 | 327,081 |
| Prepaid items | 7,836 | - | 7,836 |
| Total current assets | 220,094,352 | 4,328,390 | 224,422,742 |
| Noncurrent assets: | | | |
| Restricted cash and investments | 15,015,652 | - | 15,015,652 |
| Capital assets: | | | |
| Land and construction in progress | 12,268,584 | - | 12,268,584 |
| Depreciable assets | 265,723,070 | 3,491,290 | 269,214,360 |
| Less accumulated depreciation | (85,532,771) | (2,461,369) | (87,994,140) |
| Net capital assets | 192,458,883 | 1,029,921 | 193,488,804 |
| Total noncurrent assets | 207,474,535 | 1,029,921 | 208,504,456 |
| Total assets | 427,568,887 | 5,358,311 | 432,927,198 |
| Deferred Outflows of Resources | | | |
| Pension related amounts | 29,107,140 | 1,310,326 | 30,417,466 |
| Other postemployment benefit related amounts | 16,686,176 | - | 16,686,176 |
| Deferred amount on refunding | 2,446,942 | - | 2,446,942 |
| Total deferred outflows of resources | 48,240,258 | 1,310,326 | 49,550,584 |

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 5,655,935 | 61,603 | 5,717,538 |
| Accrued expenses, primarily salaries and benefits payable | 22,329,252 | 254,822 | 22,584,074 |
| Due to other governments | 3,921,398 | - | 3,921,398 |
| Accrued interest payable | 1,668,633 | - | 1,668,633 |
| Unearned revenue | 295,928 | 168,555 | 464,483 |
| Current portion of long-term obligations | 15,732,797 | - | 15,732,797 |
| Total current liabilities | 49,603,943 | 484,980 | 50,088,923 |
| Noncurrent liabilities, | | | |
| noncurrent portion of long-term obligations | 247,081,235 | 5,351,574 | 252,432,809 |
| Total liabilities | 296,685,178 | 5,836,554 | 302,521,732 |
| Deferred Inflows of Resources | | | |
| Property taxes | 86,273,129 | - | 86,273,129 |
| Income surtaxes | 7,310,683 | - | 7,310,683 |
| Pension related amounts | 9,006,089 | 267,573 | 9,273,662 |
| Other postemployment benefit related amounts | 4,362,063 | - | 4,362,063 |
| Total deferred inflows of resources | 106,951,964 | 267,573 | 107,219,537 |
| Net Position | | | |
| Net investment in capital assets | 101,523,165 | 1,029,921 | 102,553,086 |
| Restricted for: | | | |
| Categorical funding | 2,977,707 | - | 2,977,707 |
| Debt service | 6,485,163 | - | 6,485,163 |
| Student activities | 1,496,939 | - | 1,496,939 |
| Physical plant and equipment | 9,735,603 | - | 9,735,603 |
| School infrastructure | 13,160,689 | - | 13,160,689 |
| Unrestricted | (63,207,263) | (465,411) | (63,672,674) |
| Total net position | \$ 72,172,003 | \$ 564,510 | \$ 72,736,513 |

See notes to basic financial statements.

Cedar Rapids Community School District

**Statement of Activities
Year Ended June 30, 2019**

| Functions/Programs | Expenses | Program Revenues | |
|---|-----------------------|----------------------|------------------------------------|
| | | Charges for Services | Operating Grants and Contributions |
| Governmental activities | | | |
| Instruction: | | | |
| Regular instruction | \$ 82,582,007 | \$ 2,693,225 | \$ 12,259,258 |
| Special instruction | 34,094,403 | 2,086,409 | 3,265,605 |
| Vocational instruction | 1,458,103 | 22,300 | 228,325 |
| Other instruction | 24,362,773 | 3,705,828 | 10,215,596 |
| Total instruction | 142,497,286 | 8,507,762 | 25,968,784 |
| Support services: | | | |
| Student services | 7,171,840 | - | - |
| Instructional staff services | 19,260,877 | 922,568 | - |
| General administration services | 16,137,923 | - | - |
| School administration services | 13,916,134 | - | - |
| Business services | 6,629,157 | 141,982 | - |
| Operations and maintenance | 17,890,691 | - | - |
| Student transportation | 9,295,376 | 62,258 | 14,263 |
| Other support services, AEA flowthrough | 7,754,813 | - | 7,754,813 |
| Total support services | 98,056,811 | 1,126,808 | 7,769,076 |
| Noninstructional programs: | | | |
| Food services | 89,010 | - | - |
| Community services | 129,581 | 628,010 | - |
| Total noninstructional programs | 218,591 | 628,010 | - |
| Other: | | | |
| Interest on long-term debt | 3,661,864 | - | 580,830 |
| Bond issuance costs | 173,632 | - | - |
| | 3,835,496 | - | 580,830 |
| Total governmental activities | 244,608,184 | 10,262,580 | 34,318,690 |
| Business-type activities | | | |
| Noninstructional programs: | | | |
| Daycare services | 4,576,377 | 4,434,055 | 56,508 |
| Nutrition services | 8,536,557 | 2,485,672 | 6,878,321 |
| Total business-type activities | 13,112,934 | 6,919,727 | 6,934,829 |
| Total school district | \$ 257,721,118 | \$ 17,182,307 | \$ 41,253,519 |

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, beginning

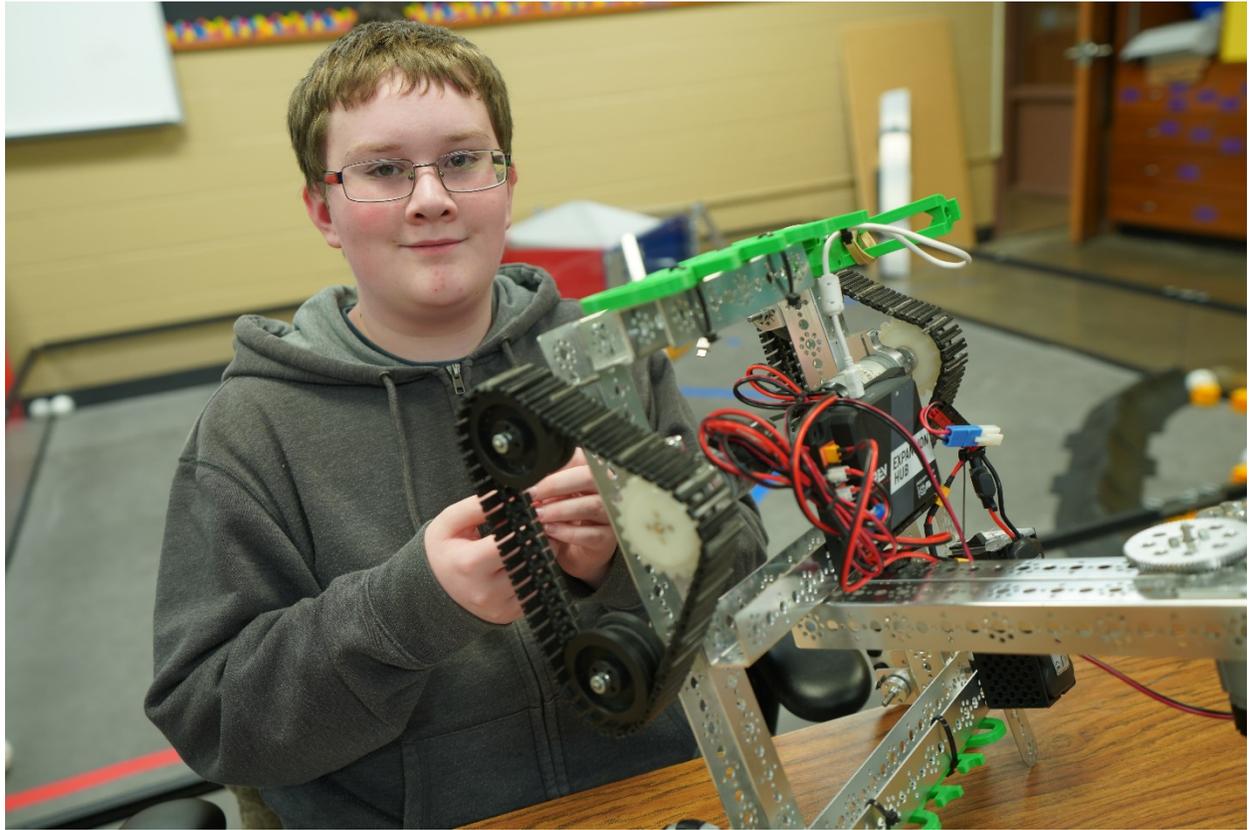
Net position, ending

See notes to basic financial statements.

| Net (Expense) Revenue and Changes in Net Position | | |
|---|-----------------------------|-----------------|
| Governmental Activities | Business-Type Activities | Total |
| \$ (67,629,524) | \$ - | \$ (67,629,524) |
| (28,742,389) | - | (28,742,389) |
| (1,207,478) | - | (1,207,478) |
| (10,441,349) | - | (10,441,349) |
| (108,020,740) | - | (108,020,740) |
| (7,171,840) | - | (7,171,840) |
| (18,338,309) | - | (18,338,309) |
| (16,137,923) | - | (16,137,923) |
| (13,916,134) | - | (13,916,134) |
| (6,487,175) | - | (6,487,175) |
| (17,890,691) | - | (17,890,691) |
| (9,218,855) | - | (9,218,855) |
| - | - | - |
| (89,160,927) | - | (89,160,927) |
| (89,010) | - | (89,010) |
| 498,429 | - | 498,429 |
| 409,419 | - | 409,419 |
| (3,081,034) | - | (3,081,034) |
| (173,632) | - | (173,632) |
| (3,254,666) | - | (3,254,666) |
| (200,026,914) | - | (200,026,914) |
| - | (85,814) | (85,814) |
| - | 827,436 | 827,436 |
| - | 741,622 | 741,622 |
| (200,026,914) | 741,622 | (199,285,292) |
| 74,811,226 | - | 74,811,226 |
| 9,468,837 | - | 9,468,837 |
| 17,469,112 | - | 17,469,112 |
| 7,809,208 | - | 7,809,208 |
| 92,844,521 | - | 92,844,521 |
| 444,494 | - | 444,494 |
| 1,475,643 | 32,017 | 1,507,660 |
| 3,760,157 | 63,258 | 3,823,415 |
| 524,123 | (524,123) | - |
| 208,607,321 | (428,848) | 208,178,473 |
| 8,580,407 | 312,774 | 8,893,181 |
| 63,591,596 | 251,736 | 63,843,332 |
| \$ 72,172,003 | \$ 564,510 | \$ 72,736,513 |



Fund Financial Statements



Cedar Rapids Community School District

**Balance Sheet
Governmental Funds
June 30, 2019**

| | General | Physical Plant and Equipment Levy | Secure an Advanced Vision for Education | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------------|---|---|-----------------------------------|--------------------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 51,205,938 | \$ 10,807,497 | \$ 41,515,014 | \$ 11,951,290 | \$ 115,479,739 |
| Receivables: | | | | | |
| Taxes: | | | | | |
| Current year | 438,407 | 73,691 | - | 75,202 | 587,300 |
| Succeeding year | 72,493,523 | 10,139,770 | - | 10,950,519 | 93,583,812 |
| Other | 331,449 | 34,295 | - | 322 | 366,066 |
| Due from other governments | 6,477,160 | 588 | 2,154,864 | 445 | 8,633,057 |
| Due from other funds | 1,749,329 | - | 106,456 | - | 1,855,785 |
| Inventories-supplies and materials | 245,487 | - | - | - | 245,487 |
| Restricted cash and investments | - | - | - | 15,015,652 | 15,015,652 |
| Prepaid items | 7,836 | - | - | - | 7,836 |
| Total assets | \$ 132,949,129 | \$ 21,055,841 | \$ 43,776,334 | \$ 37,993,430 | \$ 235,774,734 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 1,555,911 | \$ 1,054,276 | \$ 2,833,916 | \$ 211,832 | \$ 5,655,935 |
| Accrued expenditures, primarily salaries and benefits payable | 22,322,181 | - | - | 2,023,009 | 24,345,190 |
| Due to other governments | 3,902,684 | 13,748 | - | 4,966 | 3,921,398 |
| Due to other funds | 3,699 | 112,444 | 437,693 | 110,894 | 664,730 |
| Unearned revenue | 4,890 | - | - | 291,038 | 295,928 |
| Total liabilities | 27,789,365 | 1,180,468 | 3,271,609 | 2,641,739 | 34,883,181 |
| Deferred inflows of resources: | | | | | |
| Unavailable revenue—property taxes | 65,182,840 | 10,139,770 | - | 10,950,519 | 86,273,129 |
| Unavailable revenue—income surtaxes | 7,310,683 | - | - | - | 7,310,683 |
| Unavailable revenue—intergovernmental | - | - | 725,000 | - | 725,000 |
| Total deferred inflows of resources | 72,493,523 | 10,139,770 | 725,000 | 10,950,519 | 94,308,812 |
| Fund balances: | | | | | |
| Nonspendable | 253,323 | - | - | - | 253,323 |
| Restricted | 2,977,707 | 9,735,603 | 37,787,045 | 24,401,172 | 74,901,527 |
| Committed | 1,136,680 | - | - | - | 1,136,680 |
| Assigned | - | - | 1,992,680 | - | 1,992,680 |
| Unassigned | 28,298,531 | - | - | - | 28,298,531 |
| Total fund balances | 32,666,241 | 9,735,603 | 39,779,725 | 24,401,172 | 106,582,741 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 132,949,129 | \$ 21,055,841 | \$ 43,776,334 | \$ 37,993,430 | \$ 235,774,734 |

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, 2019**

| | | |
|---|---------------------|-----------------------------|
| Total governmental fund balances | | \$ 106,582,741 |
| 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 | \$ 277,991,654 | |
| Accumulated depreciation | <u>(85,532,771)</u> | 192,458,883 |
| 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. | | |
| | | 725,000 |
| 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, pension | 29,107,140 | |
| Deferred outflows of resources, other post employment benefits | 16,686,176 | |
| Deferred inflows of resources, pension | (9,006,089) | |
| Deferred inflows of resources, other post employment benefits | <u>(4,362,063)</u> | 32,425,164 |
| 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 | (124,932,461) | |
| Bond premiums | (671,021) | |
| Capital lease | (327,082) | |
| Accrued interest on long-term debt | (1,668,633) | |
| Deferred amount on refunding | 2,446,942 | |
| Net pension liability | (109,226,493) | |
| Other postemployment benefits liability | (22,659,450) | |
| Compensated absences (vacations) | (838,432) | |
| Early retirement payable | <u>(2,143,155)</u> | (260,019,785) |
| Net position of governmental activities | | <u><u>\$ 72,172,003</u></u> |

See notes to basic financial statements.

Cedar Rapids Community School District

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019**

| | General | Physical Plant and Equipment Levy | Secure an Advanced Vision for Education | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------|---|---|-----------------------------------|--------------------------------|
| Revenues: | | | | | |
| Local sources: | | | | | |
| Local taxes | \$ 71,605,625 | \$ 9,850,914 | \$ - | \$ 10,632,729 | \$ 92,089,268 |
| Tuition | 4,440,377 | - | - | - | 4,440,377 |
| Other local sources | 5,128,911 | 229,942 | 228,981 | 3,857,632 | 9,445,466 |
| State sources | 116,587,279 | 292,016 | 17,564,112 | 329,361 | 134,772,768 |
| Federal sources | 10,986,265 | - | - | 580,830 | 11,567,095 |
| Total revenues | 208,748,457 | 10,372,872 | 17,793,093 | 15,400,552 | 252,314,974 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular instruction | 76,054,995 | - | 2,050,053 | 3,760,241 | 81,865,289 |
| Special instruction | 33,623,777 | - | - | - | 33,623,777 |
| Vocational instruction | 1,448,368 | - | - | - | 1,448,368 |
| Other instruction | 20,820,639 | - | - | 3,393,365 | 24,214,004 |
| Total instruction | 131,947,779 | - | 2,050,053 | 7,153,606 | 141,151,438 |
| Support services: | | | | | |
| Student services | 7,121,048 | - | - | - | 7,121,048 |
| Instruction staff services | 17,815,000 | - | 1,089,833 | 139,862 | 19,044,695 |
| General administration services | 5,384,869 | - | - | 173,022 | 5,557,891 |
| School administration services | 13,017,110 | - | 208,720 | 417,450 | 13,643,280 |
| Business services | 5,809,259 | 100,089 | 484,836 | 178,484 | 6,572,668 |
| Operations and maintenance | 15,979,475 | 415,945 | - | 1,804,247 | 18,199,667 |
| Student transportation | 7,801,314 | 1,591,670 | - | 614,608 | 10,007,592 |
| Other support services, AEA flowthrough | 7,754,813 | - | - | - | 7,754,813 |
| Total support services | 80,682,888 | 2,107,704 | 1,783,389 | 3,327,673 | 87,901,654 |
| Noninstructional programs: | | | | | |
| Food service | - | - | - | 89,010 | 89,010 |
| Community services | - | - | - | 111,456 | 111,456 |
| Total noninstructional programs | - | - | - | 200,466 | 200,466 |
| Debt service: | | | | | |
| Principal | - | - | - | 4,131,553 | 4,131,553 |
| Interest | - | - | - | 3,704,526 | 3,704,526 |
| Bond issuance costs | - | - | 173,632 | - | 173,632 |
| Capital outlay, facilities acquisition | - | 4,386,376 | 2,378,220 | - | 6,764,596 |
| Total expenditures | 212,630,667 | 6,494,080 | 6,385,294 | 18,517,824 | 244,027,865 |
| Excess (deficiency) of revenues over expenditures | (3,882,210) | 3,878,792 | 11,407,799 | (3,117,272) | 8,287,109 |
| Other financing sources (uses): | | | | | |
| Proceeds from issuance of bonds | - | - | 25,185,000 | - | 25,185,000 |
| Issuance of capital lease | - | 414,635 | - | - | 414,635 |
| Proceeds from disposal of capital assets | 23,691 | 190,620 | 230,183 | - | 444,494 |
| Transfers in | 2,842,088 | 66,273 | 1,813,571 | 4,393,228 | 9,115,160 |
| Transfers out | (78,959) | (1,998,728) | (6,244,449) | (268,901) | (8,591,037) |
| Total other financing sources (uses) | 2,786,820 | (1,327,200) | 20,984,305 | 4,124,327 | 26,568,252 |
| Net change in fund balances | (1,095,390) | 2,551,592 | 32,392,104 | 1,007,055 | 34,855,361 |
| Fund balances at beginning of year | 33,761,631 | 7,184,011 | 7,387,621 | 23,394,117 | 71,727,380 |
| Fund balances at end of year | \$ 32,666,241 | \$ 9,735,603 | \$ 39,779,725 | \$ 24,401,172 | \$ 106,582,741 |

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, 2019**

| | | |
|--|--------------------|--------------------------------|
| Net change in fund balances, governmental funds | \$ | 34,855,361 |
| 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 depreciation exceeds capital outlays in the period. | | |
| Capital outlays | \$ 2,643,144 | |
| Depreciation expense | <u>(5,850,729)</u> | (3,207,585) |
| In the statement of activities, certain operating expenses, compensated absences (vacations) and early retirement, are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, early retirement benefits earned were more than the prior year amount by \$93,960 and vacation earned was less than the prior year amount by \$25,003. | | |
| | | (68,957) |
| 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. | | |
| | | (95,000) |
| 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. | | |
| Bond proceeds | (25,185,000) | |
| Capital lease | (414,635) | |
| Repayment of long-term liabilities | 4,131,553 | |
| Amortization of deferred amount on refunding | (349,563) | |
| Amortization of premiums | <u>339,227</u> | (21,478,418) |
| 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 | (625,657) | |
| OPEB expense | <u>(852,335)</u> | (1,477,992) |
| 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>52,998</u> |
| Change in net position—governmental activities | \$ | <u><u>8,580,407</u></u> |

See notes to basic financial statements.

Cedar Rapids Community School District

**Statement of Net Position
Proprietary Funds
June 30, 2019**

| | Business-Type Activities |
|--|-------------------------------|
| | <u>Total</u> |
| | Nonmajor Proprietary Funds |
| <hr/> | |
| Assets | |
| Current assets: | |
| Cash and cash equivalents | \$ 4,884,561 |
| Other receivables | 322,441 |
| Due from other governments | 230,849 |
| Due from other funds | 13,446 |
| Inventories—supplies and materials | 81,594 |
| Total current assets | <u>5,532,891</u> |
| Noncurrent assets, furniture and equipment, net | 1,029,921 |
| Total assets | <u>6,562,812</u> |
| Deferred Outflow of Resources , pension related amounts | <u>1,310,326</u> |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | 61,603 |
| Accrued expenses | 254,822 |
| Due to other funds | 1,204,501 |
| Unearned revenue | 168,555 |
| Total current liabilities | <u>1,689,481</u> |
| Noncurrent liability, net pension liability | 5,351,574 |
| Total liabilities | <u>7,041,055</u> |
| Deferred Inflow of Resources , pension related amounts | <u>267,573</u> |
| Net Position | |
| Investment in capital assets | 1,029,921 |
| Unrestricted deficit | (465,411) |
| Total net position | <u>\$ 564,510</u> |

See notes to basic financial statements.

Cedar Rapids Community School District

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2019**

| | Business-Type Activities |
|---|--|
| | Total Nonmajor Proprietary Funds |
| <hr/> | |
| Operating revenues: | |
| Charges for services | \$ 6,919,727 |
| Other | 63,258 |
| Total operating revenues | <u>6,982,985</u> |
| Operating expenses: | |
| Support services | 8,129 |
| Payroll costs | 8,095,035 |
| Purchased services | 62,968 |
| Supplies and materials | 4,832,468 |
| Depreciation | 114,223 |
| Total operating expenses | <u>13,112,823</u> |
| Operating (loss) | <u>(6,129,838)</u> |
| Nonoperating revenues (expenses): | |
| State sources | 71,537 |
| Federal sources | 6,863,292 |
| (Loss) on disposal of capital assets | (111) |
| Interest income | 32,017 |
| Total nonoperating revenues (expenses) | <u>6,966,735</u> |
| Income before transfers | <u>836,897</u> |
| Transfers in | 78,959 |
| Transfers out | (603,082) |
| | <u>(524,123)</u> |
| Change in net position | 312,774 |
| Net position, beginning of year | <u>251,736</u> |
| Net position, end of year | <u><u>\$ 564,510</u></u> |

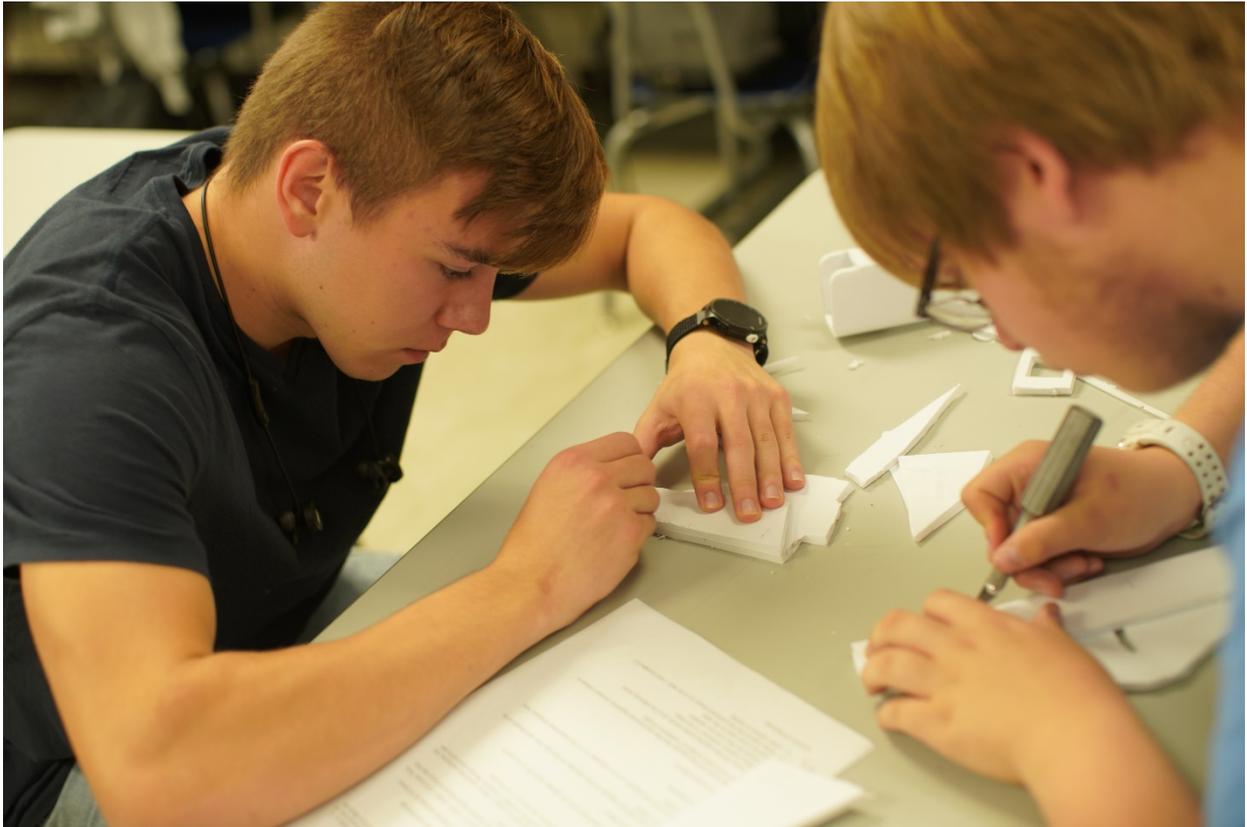
See notes to basic financial statements.

Cedar Rapids Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019**

| | Business-Type Activities |
|---|-------------------------------|
| | <u>Total</u> |
| | Nonmajor Proprietary Funds |
| <hr/> | |
| Cash flows from operating activities: | |
| Cash received from sale of lunches and breakfasts | \$ 2,113,948 |
| Cash received from services | 4,826,879 |
| Cash received from miscellaneous operating activities | 63,258 |
| Cash payments to employees for services | (8,016,614) |
| Cash payments to suppliers for good and services | (4,348,761) |
| Net cash used in operating activities | <u>(5,361,290)</u> |
| Cash flows from noncapital financing activities: | |
| State lunch and breakfast reimbursements | 71,537 |
| Federal lunch and breakfast reimbursements | 6,197,373 |
| Transfers from other funds | 78,959 |
| Transfers to other funds | (603,082) |
| Payments to interfund accounts | (230,175) |
| Net cash provided by noncapital financing activities | <u>5,514,612</u> |
| Cash flows from capital and related financing activities, acquisition of capital assets | <u>(73,830)</u> |
| Cash flows from investing activities, interest | <u>32,017</u> |
| Net increase in cash and cash equivalents | 111,509 |
| Cash and cash equivalents: | |
| Beginning | <u>4,773,052</u> |
| Ending | <u>\$ 4,884,561</u> |
| Reconciliation of operating (loss) to net cash used in operating activities: | |
| Operating (loss) | \$ (6,129,838) |
| Adjustments to reconcile operating (loss) to net cash used in operating activities: | |
| Depreciation expense | 114,223 |
| Commodities consumed | 536,140 |
| Changes in assets and liabilities: | |
| Decrease in receivables, net | 45,803 |
| (Increase) in inventories | (366) |
| (Decrease) in accounts payable and accrued expenses | 8,749 |
| Increase in net pension liability | (305,720) |
| Decrease in deferred outflows of resources | 675,087 |
| (Decrease) in deferred inflows of resources | (280,665) |
| (Decrease) in unearned revenues | (24,703) |
| Net cash used in operating activities | <u>\$ (5,361,290)</u> |
| Noncash items, noncapital financing activities, federal commodities | <u>\$ 536,140</u> |

See notes to basic financial statements.



Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2019

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

Nature of operations: The Cedar Rapids Community School District (the District) is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve with a student enrollment of 16,963. 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, 2019

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.

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

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, 2019

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, other postemployment benefits 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 in United States Treasury Notes are stated at fair value and investments in the Iowa Schools Joint Investment Trust are stated at amortized cost.

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, 2019**

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% per month penalty for delinquent payments; is based on January 1, 2017 assessed property valuations; is for the tax accrual period July 1, 2018 through June 30, 2019 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2018.

The income surtax receivable represents the fiscal year 2019 levy which will be collected by the District in fiscal year 2020. Although the income surtax receivable has been recorded as of June 30, 2019, 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, 2020, 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, 2019, 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, 2019

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 and other postemployment benefit (OPEB) expense, 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, 2019, 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/uses. 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 and business-type activities columns in the statement of net position. Bond premiums are amortized over the life of the bonds using the effective interest rate method. Bond issuance costs are reported as an expense when incurred.

Cedar Rapids Community School District

Notes to Basic Financial Statements

June 30, 2019

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

Total OPEB liability: For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been based on the actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total of OPEB liability will be paid primarily by the Management Fund, a nonmajor governmental fund.

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. The District's statement of net position also includes unrecognized pension and OPEB 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.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2019

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

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

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

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

Net position: Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds were \$25,000,390 for the Secure an Advanced Vision for Education 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 \$13,160,689 for school infrastructure from the Secure an Advanced Vision for Education fund, \$9,735,603 for the physical plant and equipment levy, \$2,977,707 for categorical funding, \$6,485,163 for debt service and \$1,496,939 for student activities.

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, 2019, the District held United States Treasury Notes of \$325,668 maturing on July 1, 2019 and \$5,780,916 maturing on July 1, 2028 related to debt service reserves or nonoperating funds.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2019

Note 2. Deposits and Investments (Continued)

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 of United States Treasury Notes are not subject to credit risk. The Iowa Schools Joint Investment Trust is rated Aaa with Moody's Investor services.

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% of its total investment portfolio. The policy also limits the amount that can be invested in a single issuer to 5% of its total investment portfolio. The District's investments consist solely of United States Treasury Notes and Iowa Schools Joint Investment Trust 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, 2019 were entirely covered by federal depository insurance, secured by collateral or private insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Fair value: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are 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, 2019:

- U.S. Treasury securities of \$6,106,584 are valued using quoted market prices (Level 1 inputs).

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2019**

Note 2. Deposits and Investments (Continued)

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

| | |
|-------------------------------------|-----------------------|
| Depository accounts | \$ 96,011,047 |
| Iowa Schools Joint Investment Trust | 33,262,321 |
| U.S. Treasury Notes | 6,106,584 |
| | <u>\$ 135,379,952</u> |
| | |
| Cash and cash equivalents | \$ 120,364,300 |
| Restricted cash and investments | 15,015,652 |
| | <u>\$ 135,379,952</u> |

Note 3. Interfund Receivables and Payables

As of June 30, 2019, interfund receivables and payables were as follows:

| | Receivables | Payables |
|--|--------------|--------------|
| General Fund | \$ 1,749,329 | \$ 3,699 |
| Physical plant and equipment levy fund | - | 112,444 |
| Secure on advanced vision for education fund | 106,456 | 437,693 |
| Nonmajor governmental funds | - | 110,894 |
| Total governmental funds | 1,855,785 | 664,730 |
| Nonmajor enterprise, proprietary funds | 13,446 | 1,204,501 |
| Total all funds | \$ 1,869,231 | \$ 1,869,231 |

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

Note 4. Interfund Transfers

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

| | Transfers In | Transfers Out |
|--|--------------|---------------|
| General Fund | \$ 2,842,088 | \$ 78,959 |
| Physical plant and equipment levy fund | 66,273 | 1,998,728 |
| Secure on advanced vision for education fund | 1,813,571 | 6,244,449 |
| Nonmajor funds, governmental funds | 4,393,228 | 268,901 |
| Total governmental funds | 9,115,160 | 8,591,037 |
| Nonmajor enterprise funds | 78,959 | 603,082 |
| | \$ 9,194,119 | \$ 9,194,119 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect the resources to the fund that statute or budget requires 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, 2019**

Note 5. Capital Assets

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

| Governmental Activities | Balance June 30, 2018 | Additions | Retirements | Balance June 30, 2019 |
|--|--------------------------|-----------------------|----------------|--------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 10,259,351 | \$ - | \$ - | \$ 10,259,351 |
| Construction-in-progress | 1,296,481 | 712,752 | - | 2,009,233 |
| Total capital assets, not being depreciated | <u>11,555,832</u> | <u>712,752</u> | <u>-</u> | <u>12,268,584</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 244,005,182 | 48,500 | - | 244,053,682 |
| Furniture and equipment | 8,632,662 | 357,816 | 31,685 | 8,958,793 |
| Vehicles | 11,372,486 | 1,524,076 | 185,967 | 12,710,595 |
| Total capital assets, being depreciated | <u>264,010,330</u> | <u>1,930,392</u> | <u>217,652</u> | <u>265,723,070</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 65,461,802 | 4,642,453 | - | 70,104,255 |
| Furniture and equipment | 6,890,211 | 281,329 | 31,685 | 7,139,855 |
| Vehicles | 7,547,681 | 926,947 | 185,967 | 8,288,661 |
| Total accumulated depreciation | <u>79,899,694</u> | <u>5,850,729</u> | <u>217,652</u> | <u>85,532,771</u> |
| Total capital assets, being depreciated, net | <u>184,110,636</u> | <u>(3,920,337)</u> | <u>-</u> | <u>180,190,299</u> |
| Governmental activities capital assets, net | <u>\$ 195,666,468</u> | <u>\$ (3,207,585)</u> | <u>\$ -</u> | <u>\$ 192,458,883</u> |

| Business-Type Activities | Balance June 30, 2018 | Additions | Retirements | Balance June 30, 2019 |
|--|--------------------------|--------------------|---------------|--------------------------|
| Capital assets, being depreciated, furniture and equipment | \$ 3,424,131 | \$ 73,830 | \$ 6,671 | \$ 3,491,290 |
| Less accumulated depreciation | 2,353,706 | 114,223 | 6,560 | 2,461,369 |
| Business-type activities capital assets, net | <u>\$ 1,070,425</u> | <u>\$ (40,393)</u> | <u>\$ 111</u> | <u>\$ 1,029,921</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|--------------------------------|---------------------|
| Regular instruction | \$ 222,023 |
| School administration services | 196,298 |
| Operations and maintenance | 4,604,193 |
| Student transportation | 828,215 |
| Total | <u>\$ 5,850,729</u> |

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

| | |
|--------------------|-------------------|
| Daycare | \$ 1,746 |
| Nutrition services | 112,477 |
| Total | <u>\$ 114,223</u> |

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2019**

Note 6. Bonded and Other Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2019 were as follows:

| Governmental Activities | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|----------------------------------|-----------------------|----------------------|------------------------|-----------------------|-----------------------------------|
| Bonds payable: | | | | | |
| School refunding G.O. bonds | \$ 8,280,000 | \$ - | \$ (2,980,000) | \$ 5,300,000 | \$ 3,100,000 |
| Revenue bonds, direct placement | 95,511,461 | 25,185,000 | (1,064,000) | 119,632,461 | 9,700,000 |
| Premiums | 1,010,248 | - | (339,227) | 671,021 | - |
| Total bonds payable | 104,801,709 | 25,185,000 | (4,383,227) | 125,603,482 | 12,800,000 |
| Other liabilities: | | | | | |
| Capital lease | - | 414,635 | (87,553) | 327,082 | 78,427 |
| Compensated absences | 863,435 | 1,554,489 | (1,579,492) | 838,432 | 838,432 |
| Other postemployment benefits | 9,314,628 | 13,344,822 | - | 22,659,450 | - |
| Early retirement payable - TSA | 4,231,227 | 2,109,898 | (2,182,032) | 4,159,093 | 2,015,938 |
| Net pension liability | 116,563,763 | - | (7,337,270) | 109,226,493 | - |
| Total long-term liabilities | <u>\$ 235,774,762</u> | <u>\$ 42,608,844</u> | <u>\$ (15,569,574)</u> | <u>\$ 262,814,032</u> | <u>\$ 15,732,797</u> |
| Business-Type Activities, | | | | | |
| net pension liability | <u>\$ 5,657,294</u> | <u>\$ -</u> | <u>\$ (305,720)</u> | <u>\$ 5,351,574</u> | <u>\$ -</u> |

The Management Fund, a nonmajor governmental 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, 2019**

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

Early retirement benefits paid during the year ended June 30, 2019 totaled \$2,182,032, all of which was paid by the Management Fund. The cost of early retirement payments for health benefits expected to be liquidated currently are included within the other postemployment benefit liability. The cost of early retirement payments for salaries expected to be liquidated currently are recorded as accrued expenditures liability in the Management Fund in the amount of \$2,015,938. 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 issued \$13,935,000 general obligation refunding bonds, Series 2016, maturing June 1, 2017 through June 1, 2021 with an interest rate of 3.00% to 5.00%. Details of the District's June 30, 2019 bonded indebtedness are as follows:

| Years ending June 30: | Principal | Interest | Total |
|-----------------------|--------------|------------|--------------|
| 2020 | \$ 3,100,000 | \$ 265,000 | \$ 3,365,000 |
| 2021 | 2,200,000 | 110,000 | 2,310,000 |
| | \$ 5,300,000 | \$ 375,000 | \$ 5,675,000 |

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% to 5.00%, 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%, for the purpose of building construction and renovation of District buildings. Principal is \$11,842,461 due in 2028.

The 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% 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.

On June 28, 2019, the District issued \$25,185,000 in School Infrastructure Sales, Services & Use Tax Revenue Bonds, Series 2019 maturing January 1, 2020 through January 1, 2030 with an interest rate of 2.33% for the purpose of building, construction and renovation of District buildings.

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 2015 School Infrastructure Sales, Service and Use Tax Revenue Refunding Bonds and the 2019 School Infrastructure Sales, Service and Use Revenue Bonds issued in July 2010, December 2010, June 2015 and June 2019, respectively. The total principal and interest remaining to be paid on the bonds is \$146,962,095. For fiscal year 2019, the total principal and interest paid and total net revenues were \$4,354,028 and \$17,564,112, respectively.

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2019**

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

Annual debt service requirements to service all outstanding revenue bonds as of June 30, 2019, are as follows:

| | Principal | Interest | Total |
|-----------------------|-----------------------|----------------------|-----------------------|
| Years ending June 30: | | | |
| 2020 | \$ 9,700,000 | \$ 3,806,391 | \$ 13,506,391 |
| 2021 | 8,859,000 | 3,579,649 | 12,438,649 |
| 2022 | 9,079,000 | 3,371,170 | 12,450,170 |
| 2023 | 9,275,000 | 3,157,765 | 12,432,765 |
| 2024 | 9,476,000 | 2,939,644 | 12,415,644 |
| 2025–2029 | 65,872,461 | 10,316,385 | 76,188,846 |
| 2030 | 7,371,000 | 158,630 | 7,529,630 |
| | <u>\$ 119,632,461</u> | <u>\$ 27,329,634</u> | <u>\$ 146,962,095</u> |

As of June 30, 2019, the District held \$15,015,652 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.

Capital lease: The District has entered into a lease agreement as lessee for financing the acquisition of vehicles. This agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets under capital lease are as follows:

| | |
|--------------------------|-------------------|
| Vehicles | \$ 414,635 |
| Accumulated depreciation | (8,638) |
| Net book value | <u>\$ 405,997</u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

| | |
|---|-------------------|
| Years ending June 30: | |
| 2020 | \$ 87,553 |
| 2021 | 87,553 |
| 2022 | 87,553 |
| 2023 | <u>87,553</u> |
| Total minimum lease payments | 350,212 |
| Less amount representing interest | <u>(23,130)</u> |
| Present value of minimum lease payments | <u>\$ 327,082</u> |

As of June 30, 2019, the District did not exceed its legal debt limit of \$482,507,405.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2019

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 P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

- A multiplier (based on years of service.)
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date 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% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month 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.

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2019**

Note 7. Pension and Retirement Benefits (Continued)

In fiscal year 2019, pursuant to the required rate, regular members contributed 6.29% of pay and the District contributed 9.44% for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2019 were \$13,443,980.

Net pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2019, the District reported a liability of \$114,578,067 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the District's collective proportion was 1.8105820%, which was a decrease of .024220% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$714,359. At June 30, 2019, 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 | \$ 628,215 | \$ (2,589,649) |
| Changes of assumptions | 16,345,271 | - |
| Net difference between projected and actual earnings on pension plan investments | - | (3,148,237) |
| Changes in proportion and differences between District contributions and proportionate share of contributions | - | (3,535,776) |
| District contributions subsequent to the measurement date | 13,443,980 | - |
| Total | <u>\$ 30,417,466</u> | <u>\$ (9,273,662)</u> |

\$13,443,980 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, 2020. 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:

| | |
|----------------------|---------------------|
| Years ended June 30, | |
| 2020 | \$ 6,591,545 |
| 2021 | 3,144,385 |
| 2022 | (1,440,169) |
| 2023 | (416,565) |
| 2024 | (179,372) |
| Total | <u>\$ 7,699,824</u> |

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2019**

Note 7. Pension and Retirement Benefits (Continued)

Actuarial assumptions: The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|---|
| Rate of inflation (effective June 30, 2017) | 2.60% per annum |
| Rates of salary increase (effective June 30, 2017) | 3.25% to 16.25%, average, including inflation. Rates vary by membership group. |
| Long-term investment rate of return (effective June 30, 2017) | 7.00%, compounded annually, net of investment expense, including inflation. |
| Wage growth (effective June 30, 2017) | 3.25%, per annum, based on 2.60% inflation and 0.65% real wage inflation. |

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS's investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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 |
|--------------------------|---------------------|--|
| Domestic equity | 22.0% | 6.01% |
| International equity | 15.0 | 6.48 |
| Global smart beta equity | 3.0 | 6.23 |
| Core plus fixed income | 27.0 | 1.97 |
| Public credit | 3.5 | 3.93 |
| Public real assets | 7.0 | 2.91 |
| Cash | 1.0 | (0.25) |
| Private equity | 11.0 | 10.81 |
| Private real assets | 7.5 | 4.14 |
| Private credit | 3.0 | 3.11 |
| | 100.0% | |

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2019**

Note 7. Pension and Retirement Benefits (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed 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, IPERS' 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 IPERS' 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 7.00%, 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 (6.00%) or 1 percentage-point higher (8.00%) than the current rate.

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|--------------------------|------------------------|
| District's proportionate share of the net pension liability | \$ 194,462,004 | \$ 114,578,067 | \$ 47,567,317 |

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, 2019, the District reported payables to the defined benefit pension plan of \$3,222,527 for legally required employer contributions and 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 has a single employer that defined benefit OPEB plan, provides OPEB for certain classes of eligible retirees and their eligible dependents. The District's Board of Directors has the authority to establish or amend the plan provisions or contribution requirements by review and unanimous vote of the Boards. The benefits provided are determined by the District's Board of Directors. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

Benefits provided: Eligible retirees and their eligible dependents benefit from health, prescription drug and life insurance benefits as described in the Board Policy. Benefits for which the retiree is eligible is dependent upon the workgroup they were in at the time of retirement. The Board Policy is located on the District's website: <http://www.cr.k12.ia.us/assets/1/6/Policyhandbook.pdf>.

Contributions: The District's Board of Directors has the authority to establish and amend the contribution requirements under the Board Policy. The contribution requirements vary by workgroup and the amounts and duration are defined in the Board Policy.

Other postemployment liabilities attributable to governmental activities are generally liquidated by Management fund.

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2019**

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

Employees covered by benefit terms: At June 30, 2019, the following employees were covered by the benefit terms:

| | |
|---|--------------|
| Inactive employees currently receiving benefits | 109 |
| Active employees | 2,707 |
| | <u>2,816</u> |

Total OPEB Liability: The District's total OPEB liability of \$22,659,450 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial methods and assumptions:

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------------------|--|
| Inflation | 3.00% |
| Discount rate | 3.50% |
| Health care cost trend rates | 6.5% reduced by 0.5% each year until ultimate trend rate of 4.5% |
| Mortality rates | RP-2014 generational table scaled using MP-18 and applied on gender specific basis |

The discount rate was based on the index rate on the Bond Buyer 20-year GO Bond Index, with an average rating of AA/Aa or higher as of the measurement date.

Changes in the Total OPEB Liability

| | |
|--|-----------------------------|
| | <u>Total OPEB Liability</u> |
| Balance as of June 30, 2018 | \$ 9,314,628 |
| Changes for the year: | |
| Service cost | 401,313 |
| Interest | 340,454 |
| Changes in assumptions or other inputs | (4,632,963) |
| Contributions and payments made | (1,127,891) |
| Difference between expected and actual experience/experience gain loss | 18,363,909 |
| Net changes | <u>13,344,822</u> |
| Balance as of June 30, 2019 | <u>\$ 22,659,450</u> |

No changes in benefit terms or changes in assumptions were made for the year ended June 30, 2019.

Cedar Rapids Community School District

**Notes to Basic Financial Statements
June 30, 2019**

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

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the District, as well as what the District's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

| | 1% Decrease 2.50% | Discount Rate 3.50% | 1% Increase 4.50% |
|----------------------|----------------------|------------------------|----------------------|
| Total OPEB liability | \$ 24,698,310 | \$ 22,659,000 | \$ 20,846,280 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current healthcare cost trend rates:

| | Health Care Cost Trend Rates | | |
|----------------------|------------------------------|---------------|---------------|
| | 5.5% | 6.5% | 7.5% |
| Total OPEB liability | \$ 19,486,740 | \$ 22,659,000 | \$ 26,511,030 |

OPEB Expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2019, the District recognized OPEB expense of \$852,335. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source:

| | Deferred Outflows of Resources | Deferred Inflow of Resources |
|--|--------------------------------------|---------------------------------|
| Differences between expected and actual experience | \$ 16,686,176 | \$ (152,369) |
| Changes of assumptions/inputs | - | (4,209,694) |
| | <u>\$ 16,686,176</u> | <u>\$ (4,362,063)</u> |

Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

| | |
|-----------------------|----------------------|
| Years ending June 30: | |
| 2020 | \$ 1,238,459 |
| 2021 | 1,238,459 |
| 2022 | 1,238,459 |
| 2023 | 1,238,459 |
| 2024 | 1,238,459 |
| Thereafter | 6,131,818 |
| | <u>\$ 12,324,113</u> |

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2019

Note 9. Commitments

Total outstanding contractual commitments for construction projects at June 30, 2019 for the Physical Plant and Equipment Levy Fund was \$2,533,106 and for the Secure an Advanced Vision for Education Fund was \$723,864.

The District had encumbrances in the General Fund, Physical Plant and Equipment Levy Fund and Nonmajor Governmental Funds of \$1,325,508, \$4,289,763 and \$4,005,628, 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 \$7,754,813 for the year ended June 30, 2019. 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, 2019 the District, an active member of MIIP, has a negative equity balance with MIIP of approximately \$1.25 million. The District's contribution to the program for the year ended June 30, 2019 was \$12,954,519. 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, 2019

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, 2019 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 | \$ 431,201 |
| City of Marion | Urban Renewal and economic development | 46,178 |
| City of Hiawatha | Urban Renewal and economic development | 291,961 |
| City of Robins | Urban Renewal and economic development | 2,178 |
| | | <u>\$ 771,518</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, 2019, this reimbursement amounted to \$717,988.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2019

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 | Secure an Advanced Vision for Education | Nonmajor Governmental | Total |
|---------------------------------|---------------|--------------------------------------|---|--------------------------|----------------|
| Nonspendable: | | | | | |
| Inventories | \$ 245,487 | \$ - | \$ - | \$ - | \$ 245,487 |
| Prepays | 7,836 | - | - | - | 7,836 |
| Total nonspendable | 253,323 | - | - | - | 253,323 |
| Restricted: | | | | | |
| Categorical funding | 2,977,707 | - | - | - | 2,977,707 |
| Debt service | - | - | - | 15,701,410 | 15,701,410 |
| Management levy purposes | - | - | - | 7,202,823 | 7,202,823 |
| Student activities | - | - | - | 1,496,939 | 1,496,939 |
| Physical plant and equipment | - | 9,735,603 | - | - | 9,735,603 |
| School infrastructure | - | - | 37,787,045 | - | 37,787,045 |
| Total restricted | 2,977,707 | 9,735,603 | 37,787,045 | 24,401,172 | 74,901,527 |
| Committed, future purchases | 1,136,680 | - | - | - | 1,136,680 |
| Assigned, school infrastructure | - | - | 1,992,680 | - | 1,992,680 |
| Unassigned | 28,298,531 | - | - | - | 28,298,531 |
| Total fund balances | \$ 32,666,241 | \$ 9,735,603 | \$ 39,779,725 | \$ 24,401,172 | \$ 106,582,741 |

Note 16. Subsequent Event

In November 2019, the District issued \$27,739,000 of School Infrastructure Sales, Services & Use Tax Revenue Refunding Bonds, and Series 2019 for the purpose of current refunding the Series 2010 School Infrastructure Sales, Services & Use Tax Revenue Bonds. The bonds mature January 2030 with an interest rate of 2.08%. Principal payments range from \$100,000 to \$4,469,000.

Note 17. Adopted and Pending Governmental Accounting Standards Board (GASB) Pronouncements

As of June 30, 2019, the District adopted the following Governmental Accounting Standards Board (GASB) Statement:

As of June 30, 2019 the District adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Borrowings and Direct Placements*. The Statement clarifies which liabilities governments should include in their note disclosures related to debt. This Statement defines debt that must be disclosed in the notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Governments must also disclose amounts of unused lines of credit, assets pledged as collateral for debt and the terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowings and direct placements of debt from other debt. See Note 9 to the financial statements for the required disclosures.

Cedar Rapids Community School District

Notes to Basic Financial Statements June 30, 2019

Note 17. Adopted and Pending Governmental Accounting Standards Board (GASB) Pronouncements (Continued)

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

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. 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, 2019**

| | Governmental Funds Actual | Proprietary Funds Actual | Total Actual |
|--|---------------------------------|--------------------------------|-----------------------|
| Revenues: | | | |
| Local sources | \$ 105,975,111 | \$ 7,015,002 | \$ 112,990,113 |
| State sources | 134,772,768 | 71,537 | 134,844,305 |
| Federal sources | 11,567,095 | 6,863,292 | 18,430,387 |
| Total revenues | 252,314,974 | 13,949,831 | 266,264,805 |
| Expenditures: | | | |
| Instruction | 141,151,438 | 2,122 | 141,153,560 |
| Support services | 87,901,654 | 959,482 | 88,861,136 |
| Noninstructional programs | 200,466 | 12,151,330 | 12,351,796 |
| Other expenditures, including AEA flowthrough | 14,774,307 | - | 14,774,307 |
| Total expenditures | 244,027,865 | 13,112,934 | 257,140,799 |
| Excess (deficiency) of revenues over expenditures | 8,287,109 | 836,897 | 9,124,006 |
| Other financing sources (uses): | | | |
| Proceeds from issuance of bonds | 25,185,000 | - | 25,185,000 |
| Sale of capital assets | 414,635 | - | 414,635 |
| Proceeds on disposal of capital assets | 444,494 | - | 444,494 |
| Transfers in | 9,115,160 | 78,959 | 9,194,119 |
| Transfers out | (8,591,037) | (603,082) | (9,194,119) |
| Total other financing sources (uses) | 26,568,252 | (524,123) | 26,044,129 |
| Net change in fund balances/net position | 34,855,361 | 312,774 | 35,168,135 |
| Fund balance/net position, beginning | 71,727,380 | 251,736 | 71,979,116 |
| Fund balance/net position, ending | \$ 106,582,741 | \$ 564,510 | \$ 107,147,251 |

See note to required supplementary information.

| Budget Amounts | | Variances Over (Under) | |
|----------------|----------------|---------------------------|-----------------|
| Original | Final | Original to Final | Final to Actual |
| \$ 112,972,372 | \$ 112,972,372 | \$ - | \$ 17,741 |
| 133,439,531 | 133,439,531 | - | 1,404,774 |
| 17,337,766 | 17,337,766 | - | 1,092,621 |
| 263,749,669 | 263,749,669 | - | 2,515,136 |
| 147,693,744 | 159,483,062 | (11,789,318) | (18,329,502) |
| 71,810,637 | 83,134,267 | (11,323,630) | 5,726,869 |
| 12,660,870 | 13,504,603 | (843,733) | (1,152,807) |
| 27,873,481 | 26,207,270 | 1,666,211 | (11,432,963) |
| 260,038,732 | 282,329,202 | (22,290,470) | (25,188,403) |
| 3,710,937 | (18,579,533) | (22,290,470) | 27,703,539 |
| - | - | - | 25,185,000 |
| 20,000 | 20,000 | - | 394,635 |
| - | - | - | 444,494 |
| 9,591,653 | 9,591,653 | - | (397,534) |
| (9,591,653) | (9,591,653) | - | 397,534 |
| 20,000 | 20,000 | - | 26,024,129 |
| 3,730,937 | (18,559,533) | (22,290,470) | 53,727,668 |
| 62,175,402 | 62,175,402 | - | (9,803,714) |
| \$ 65,906,339 | \$ 43,615,869 | \$ (22,290,470) | \$ 63,531,382 |

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 2018-19 Budget document. The 2018-19 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 2018-19, amendments increased the instructional functional area by \$11,789,318, increased total support services by \$11,323,630, increased the non-instructional programs by \$843,733 and other expenditures were decreased by \$1,666,211 which is a 8.6% 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 District'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 |
|----------------------------|-------------------------------------|----------------------|----------------------------------|---------------------------|--|
| 2019 | \$ 13,443,980 | \$ 13,443,980 | \$ - | \$ 157,235,532 | 8.55% |
| 2018 | 12,526,018 | 12,526,018 | - | 136,349,348 | 9.19 |
| 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 |

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

Cedar Rapids Community School District

**Required Supplementary Information
 Schedule of the Districts' Proportionate Share of the Net Pension Liability
 Iowa Public Employees Retirement System**

| | For Fiscal Year June 30, | |
|--|--------------------------|----------------|
| | 2019 | 2018 |
| Measurement date | 6/30/2018 | 6/30/2017 |
| District's proportion of the net pension liability | 1.8105820% | 1.8513590% |
| District's proportionate share of the net pension liability | \$ 114,578,067 | \$ 122,221,057 |
| District's covered payroll | 136,349,348 | 137,124,815 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 84.03% | 89.13% |
| Plan fiduciary net position as a percentage of the total pension liability | 83.62% | 82.21% |

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.

| For Fiscal Year June 30, | | |
|--------------------------|---------------|---------------|
| 2017 | 2016 | 2015 |
| 6/30/2016 | 6/30/2015 | 6/30/2014 |
| 1.8546850% | 1.9141825% | 1.9645219% |
| \$ 116,721,198 | \$ 94,569,876 | \$ 77,911,095 |
| 133,270,715 | 131,340,698 | 128,598,425 |
| 87.58% | 72.00% | 60.58% |
| 81.82% | 85.19% | 87.61% |

Cedar Rapids Community School District

Required Supplementary Information Notes to Required Supplementary Information Iowa Public Employees Retirement System

Changes of benefit terms: Legislation enacted in 2010 modified benefit terms for 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% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes of assumptions: The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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

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

Cedar Rapids Community School District

Required Supplementary Information
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in thousands)

| | 2019 | 2018 |
|--|----------------------|---------------------|
| Total OPEB liability | | |
| Service cost | \$ 401,313 | \$ 386,920 |
| Interest | 340,454 | 358,720 |
| Changes of assumptions or other inputs | (4,632,963) | (184,379) |
| Benefit payments | (1,127,891) | (944,568) |
| Difference between expected and actual experience/experience gain loss | 18,363,909 | - |
| Net change in total OPEB liability | 13,344,822 | (383,307) |
| Total OPEB liability—beginning | 9,314,628 | 9,697,935 |
| Total OPEB liability—ending | \$ 22,659,450 | \$ 9,314,628 |

Changes of benefit terms: There were no significant changes in benefit terms.

Changes of assumptions:

The change in discount rate from 3.72% to 3.50%

The change in retirement and termination rates to Iowa Public Employees' Retirement System (IPERS) actuarial valuation report as of June 30, 2018

A salary increase assumption change from 3% to 2%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.



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, 2019**

| | Actual |
|---|--------------------|
| Revenues: | |
| Local sources: | |
| Property taxes | \$ 61,161,524 |
| Utility tax replacement excise tax | 2,634,893 |
| Income surtax | 7,809,208 |
| Tuition | 4,440,377 |
| Transportation | 62,258 |
| Investment earnings | 727,007 |
| Student activities | 135,521 |
| Fees and rents | 416,361 |
| Sales of services | 1,650,578 |
| Other | 2,137,186 |
| Total local sources | 81,174,913 |
| State sources: | |
| Foundation aid | 84,686,258 |
| Preschool foundation aid | 2,189,200 |
| Salary improvement program | 9,758,295 |
| AEA flowthrough | 7,754,813 |
| Nonpublic aid | 640,901 |
| Iowa Early Intervention Block grant | 1,254,729 |
| At-risk grants | 817,030 |
| Miscellaneous state grants | 7,472,257 |
| Other | 2,013,796 |
| Total state sources | 116,587,279 |
| Federal sources: | |
| Title I grants | 4,310,932 |
| Carl Perkins grant | 205,605 |
| Title II grants | 625,823 |
| Individuals with Disabilities Education Act | 953,117 |
| Medicaid direct reimbursement | 3,217,547 |
| Other | 1,673,241 |
| Total federal sources | 10,986,265 |
| Total revenues | 208,748,457 |

(Continued)

Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Major Fund—General
Year Ended June 30, 2019

| | Actual |
|--------------------------|--------------------|
| Expenditures: | |
| Instruction: | |
| Regular instruction: | |
| Salaries | \$ 52,312,604 |
| Employee benefits | 11,835,798 |
| Purchased services | 10,177,215 |
| Supplies | 1,650,109 |
| Capital outlay | 202,059 |
| Other | (122,790) |
| | <u>76,054,995</u> |
| Special instruction: | |
| Salaries | 23,908,434 |
| Employee benefits | 5,496,201 |
| Purchased services | 4,048,963 |
| Supplies | 132,678 |
| Capital outlay | 34,512 |
| Other | 2,989 |
| | <u>33,623,777</u> |
| Vocational instruction: | |
| Salaries | 1,011,572 |
| Employee benefits | 233,594 |
| Purchased services | 26,679 |
| Supplies | 88,196 |
| Capital outlay | 64,075 |
| Other | 24,252 |
| | <u>1,448,368</u> |
| Other instruction: | |
| Salaries | 14,709,763 |
| Employee benefits | 3,125,453 |
| Purchased services | 1,975,818 |
| Supplies | 776,037 |
| Capital outlay | 128,128 |
| Other | 105,440 |
| | <u>20,820,639</u> |
| Total instruction | <u>131,947,779</u> |

(Continued)

Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Major Fund—General
Year Ended June 30, 2019

| | Actual |
|----------------------------------|-------------------|
| Expenditures (continued): | |
| Support services: | |
| Student services: | |
| Salaries | \$ 5,488,286 |
| Employee benefits | 1,222,677 |
| Purchased services | 365,818 |
| Supplies | 29,733 |
| Other | 14,534 |
| | <u>7,121,048</u> |
| Instruction staff services: | |
| Salaries | 12,712,995 |
| Employee benefits | 2,677,067 |
| Purchased services | 2,117,104 |
| Supplies | 249,735 |
| Capital outlay | 163,786 |
| Other | (105,687) |
| | <u>17,815,000</u> |
| General administration services: | |
| Salaries | 3,207,628 |
| Employee benefits | 816,531 |
| Purchased services | 1,103,927 |
| Supplies | 96,983 |
| Capital outlay | 11,836 |
| Other | 147,964 |
| | <u>5,384,869</u> |
| School administration services: | |
| Salaries | 9,702,059 |
| Employee benefits | 3,023,161 |
| Purchased services | 157,856 |
| Supplies | 85,858 |
| Capital outlay | 5,522 |
| Other | 42,654 |
| | <u>13,017,110</u> |
| Business services: | |
| Salaries | 3,401,912 |
| Employee benefits | 937,485 |
| Purchased services | 1,221,147 |
| Supplies | 220,136 |
| Capital outlay | 19,469 |
| Other | 9,110 |
| | <u>5,809,259</u> |

(Continued)

Cedar Rapids Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Major Fund—General
Year Ended June 30, 2019

| | Actual |
|---|-----------------------------|
| Expenditures (continued): | |
| Support services (continued): | |
| Operations and maintenance: | |
| Salaries | \$ 6,947,004 |
| Employee benefits | 2,509,588 |
| Purchased services | 1,364,155 |
| Supplies | 5,118,812 |
| Capital outlay | 38,395 |
| Other | 1,521 |
| | <u>15,979,475</u> |
| Student transportation: | |
| Salaries | 4,453,854 |
| Employee benefits | 821,915 |
| Purchased services | 1,377,836 |
| Supplies | 1,003,416 |
| Capital outlay | 135,486 |
| Other | 8,807 |
| | <u>7,801,314</u> |
| Other support services, AEA flow-through | <u>7,754,813</u> |
| Total support services | <u>80,682,888</u> |
| Total expenditures | <u>212,630,667</u> |
| Deficiency of revenues over expenditures | <u>(3,882,210)</u> |
| Other financing sources (uses): | |
| Proceeds on sale of capital assets | 23,691 |
| Transfers in | 2,842,088 |
| Transfers out | (78,959) |
| Total other financing sources | <u>2,786,820</u> |
| Net change in fund balance | (1,095,390) |
| Fund balance, beginning of year | <u>33,761,631</u> |
| Fund balance, end of year | <u><u>\$ 32,666,241</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. |



Cedar Rapids Community School District

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019**

| | Special Revenue | | Debt Service | Total Nonmajor Governmental Funds |
|--|---------------------|----------------------|----------------------|-----------------------------------|
| | Student Activity | Management | Debt Service | |
| Assets | | | | |
| Cash and cash equivalents | \$ 1,606,639 | \$ 9,392,813 | \$ 951,838 | \$ 11,951,290 |
| Receivables: | | | | |
| Taxes: | | | | |
| Current year | - | 49,745 | 25,457 | 75,202 |
| Succeeding year | - | 7,585,026 | 3,365,493 | 10,950,519 |
| Other | 322 | - | - | 322 |
| Due from other governments | - | 445 | - | 445 |
| Restricted cash | - | - | 15,015,652 | 15,015,652 |
| Total assets | \$ 1,606,961 | \$ 17,028,029 | \$ 19,358,440 | \$ 37,993,430 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 34,424 | \$ 176,909 | \$ 499 | \$ 211,832 |
| Accrued expenditures, primarily salaries and benefits payable | - | 2,023,009 | - | 2,023,009 |
| Due to other governments | - | 4,966 | - | 4,966 |
| Due to other funds | 75,598 | 35,296 | - | 110,894 |
| Unearned revenue | - | - | 291,038 | 291,038 |
| Total liabilities | 110,022 | 2,240,180 | 291,537 | 2,641,739 |
| Deferred inflows of resources, unavailable revenue—property taxes | - | 7,585,026 | 3,365,493 | 10,950,519 |
| Fund balances, restricted | 1,496,939 | 7,202,823 | 15,701,410 | 24,401,172 |
| Total liabilities, deferred inflows of resources and fund balance | \$ 1,606,961 | \$ 17,028,029 | \$ 19,358,440 | \$ 37,993,430 |

Cedar Rapids Community School District

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2019**

| | Special Revenue | | Debt Service | Total Nonmajor Governmental Funds |
|---|------------------|------------------|--------------------|-----------------------------------|
| | Student Activity | Management | Debt Service | |
| Revenues: | | | | |
| Local sources: | | | | |
| Local taxes | \$ - | \$ 7,244,040 | \$ 3,388,689 | \$ 10,632,729 |
| Other local sources | 3,352,150 | 170,627 | 334,855 | 3,857,632 |
| State sources | - | 228,897 | 100,464 | 329,361 |
| Federal sources | - | - | 580,830 | 580,830 |
| Total revenues | 3,352,150 | 7,643,564 | 4,404,838 | 15,400,552 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular instruction | - | 3,760,241 | - | 3,760,241 |
| Other instruction | 3,393,365 | - | - | 3,393,365 |
| Total instruction | 3,393,365 | 3,760,241 | - | 7,153,606 |
| Support services: | | | | |
| Instruction staff services | - | 139,862 | - | 139,862 |
| General administration services | - | 173,022 | - | 173,022 |
| School administration services | - | 417,450 | - | 417,450 |
| Business services | - | 178,484 | - | 178,484 |
| Operations and maintenance | - | 1,804,247 | - | 1,804,247 |
| Student transportation | - | 614,608 | - | 614,608 |
| Total support services | - | 3,327,673 | - | 3,327,673 |
| Noninstructional programs: | | | | |
| Food service | - | 89,010 | - | 89,010 |
| Community services | - | 111,456 | - | 111,456 |
| Total noninstructional programs | - | 200,466 | - | 200,466 |
| Debt service: | | | | |
| Principal | - | - | 4,131,553 | 4,131,553 |
| Interest | - | - | 3,704,526 | 3,704,526 |
| Total expenditures | 3,393,365 | 7,288,380 | 7,836,079 | 18,517,824 |
| Excess (deficiency) of revenues (under) expenditures | (41,215) | 355,184 | (3,431,241) | (3,117,272) |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 4,393,228 | 4,393,228 |
| Transfers out | - | (268,901) | - | (268,901) |
| Total other financing sources (uses) | - | (268,901) | 4,393,228 | 4,124,327 |
| Net changes in fund balances | (41,215) | 86,283 | 961,987 | 1,007,055 |
| Fund balance, beginning of year | 1,538,154 | 7,116,540 | 14,739,423 | 23,394,117 |
| Fund balance, end of year | \$ 1,496,939 | \$ 7,202,823 | \$ 15,701,410 | \$ 24,401,172 |

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, 2019**

| | Nutrition Services | Daycare Services | Total |
|---|-----------------------|-----------------------|-------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 3,422,893 | \$ 1,461,668 | \$ 4,884,561 |
| Other receivables | 63,510 | 258,931 | 322,441 |
| Due from other governments | 189,868 | 40,981 | 230,849 |
| Due from other funds | 13,446 | - | 13,446 |
| Inventories—supplies and materials | 81,594 | - | 81,594 |
| Total current assets | 3,771,311 | 1,761,580 | 5,532,891 |
| Noncurrent assets, furniture and equipment, net | 1,001,974 | 27,947 | 1,029,921 |
| Total assets | 4,773,285 | 1,789,527 | 6,562,812 |
| Deferred Outflow of Resources | | | |
| Pension related amounts | 669,858 | 640,468 | 1,310,326 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 39,246 | 22,357 | 61,603 |
| Accrued expenses | 8,182 | 246,640 | 254,822 |
| Due to other funds | 777,623 | 426,878 | 1,204,501 |
| Unearned revenue | 168,555 | - | 168,555 |
| Total current liabilities | 993,606 | 695,875 | 1,689,481 |
| Noncurrent liability, net pension liability | 2,741,096 | 2,610,478 | 5,351,574 |
| Total liabilities | 3,734,702 | 3,306,353 | 7,041,055 |
| Deferred Inflow of Resources , pension related amounts | 127,115 | 140,458 | 267,573 |
| Net Position | | | |
| Investment in capital assets | 1,001,974 | 27,947 | 1,029,921 |
| Unrestricted | 579,352 | (1,044,763) | (465,411) |
| Total net position | \$ 1,581,326 | \$ (1,016,816) | \$ 564,510 |

Cedar Rapids Community School District

**Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
Year Ended June 30, 2019**

| | Nutrition Services | Daycare Services | Total |
|--|-----------------------|-----------------------|--------------------|
| Operating revenues: | | | |
| Charges for services | \$ 2,485,672 | \$ 4,434,055 | \$ 6,919,727 |
| Other | 4,764 | 58,494 | 63,258 |
| Total operating revenues | 2,490,436 | 4,492,549 | 6,982,985 |
| Operating expenses: | | | |
| Support services | - | 8,129 | 8,129 |
| Payroll costs | 4,241,151 | 3,853,884 | 8,095,035 |
| Purchased services | 16,629 | 46,339 | 62,968 |
| Supplies and materials | 4,166,189 | 666,279 | 4,832,468 |
| Depreciation | 112,477 | 1,746 | 114,223 |
| Total operating expenses | 8,536,446 | 4,576,377 | 13,112,823 |
| Operating (loss) | (6,046,010) | (83,828) | (6,129,838) |
| Nonoperating revenues (expenses): | | | |
| State sources | 71,537 | - | 71,537 |
| Federal sources | 6,806,784 | 56,508 | 6,863,292 |
| Interest income | 32,017 | - | 32,017 |
| Loss on sale of asset | (111) | - | (111) |
| Total nonoperating revenues (expense) | 6,910,227 | 56,508 | 6,966,735 |
| Income before contributions and transfers | 864,217 | (27,320) | 836,897 |
| Transfers in | - | 78,959 | 78,959 |
| Transfers out | (573,840) | (29,242) | (603,082) |
| | (573,840) | 49,717 | (524,123) |
| Change in net position | 290,377 | 22,397 | 312,774 |
| Net position (deficit), beginning of year | 1,290,949 | (1,039,213) | 251,736 |
| Net position (deficit), end of year | \$ 1,581,326 | \$ (1,016,816) | \$ 564,510 |

Cedar Rapids Community School District

**Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Year Ended June 30, 2019**

| | Nutrition Services | Daycare Services | Total |
|--|-----------------------|---------------------|-----------------------|
| Cash flows from operating activities: | | | |
| Cash received from sale of lunches and breakfasts | \$ 2,113,948 | \$ - | \$ 2,113,948 |
| Cash received from services | 350,142 | 4,476,737 | 4,826,879 |
| Cash received from miscellaneous operating activities | 4,764 | 58,494 | 63,258 |
| Cash payments to employees for services | (4,194,043) | (3,822,571) | (8,016,614) |
| Cash payments to suppliers for good and services | (3,638,192) | (710,569) | (4,348,761) |
| Net cash provided by (used in) operating activities | (5,363,381) | 2,091 | (5,361,290) |
| Cash flows from noncapital financing activities: | | | |
| State lunch and breakfast reimbursements | 71,537 | - | 71,537 |
| Federal lunch and breakfast reimbursements | 6,148,111 | 49,262 | 6,197,373 |
| Transfers from other funds | - | 78,959 | 78,959 |
| Transfers to other funds | (573,840) | (29,242) | (603,082) |
| Payments to interfund accounts | (73,761) | (156,414) | (230,175) |
| Net cash provided by (used in) noncapital financing activities | 5,572,047 | (57,435) | 5,514,612 |
| Cash flows from capital and related financing activities, acquisition of capital assets | | | |
| | (73,830) | - | (73,830) |
| Cash flows from investing activities, interest | | | |
| | 32,017 | - | 32,017 |
| Net increase (decrease) in cash and cash equivalents | 166,853 | (55,344) | 111,509 |
| Cash and cash equivalents: | | | |
| Beginning | 3,256,040 | 1,517,012 | 4,773,052 |
| Ending | \$ 3,422,893 | \$ 1,461,668 | \$ 4,884,561 |
| Reconciliation of operating (loss) to net cash used in operating activities: | | | |
| Operating (loss) | \$ (6,046,010) | \$ (83,828) | \$ (6,129,838) |
| Adjustments to reconcile operating (loss) to net cash used in operating activities: | | | |
| Depreciation expense | 112,477 | 1,746 | 114,223 |
| Commodities consumed | 536,140 | - | 536,140 |
| Changes in assets and liabilities: | | | |
| Decrease in receivables, net | 3,121 | 42,682 | 45,803 |
| (Increase) in inventories | (366) | - | (366) |
| Increase (decrease) in accounts payable and accrued expenses | 8,975 | (226) | 8,749 |
| (Decrease) in net pension liability | (152,860) | (152,860) | (305,720) |
| Decrease in deferred outflows of resources | 349,482 | 325,605 | 675,087 |
| (Decrease) in deferred inflows of resources | (149,637) | (131,028) | (280,665) |
| (Decrease) in unearned revenues | (24,703) | - | (24,703) |
| Net cash provided by (used in) operating activities | \$ (5,363,381) | \$ 2,091 | \$ (5,361,290) |
| Noncash items, noncapital financing activities, federal commodities | | | |
| | \$ 536,140 | \$ - | \$ 536,140 |



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. | 68-75 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax). | 76-79 |
| Debt Capacity | |
| These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future. | 80-83 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 84-85 |
| Operating Information | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 86-93 |

Schedule 1
Cedar Rapids Community School District

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 101,523,165 | \$ 102,167,675 | \$ 97,707,987 | \$ 92,629,054 | \$ 88,883,139 | \$ 83,850,937 | \$ 67,290,267 | \$ 42,660,734 | \$ 62,090,605 | \$ 57,843,722 |
| Restricted (3) | 33,856,101 | 22,467,964 | 19,012,118 | 21,876,721 | 20,680,197 | 26,872,520 | 37,189,039 | 51,367,431 | 32,012,691 | 15,521,674 |
| Unrestricted (2) | (63,207,263) | (61,044,043) | (61,013,853) | (68,105,253) | (78,355,708) | (5,760,196) | (9,155,359) | (1,307,513) | (11,568,320) | 1,826,879 |
| Total Governmental activities | 72,172,003 | 63,591,596 | 55,706,252 | 46,400,522 | 31,207,628 | 104,963,261 | 95,323,947 | 92,720,652 | 82,534,976 | 75,192,275 |
| Business type activities | | | | | | | | | | |
| Net investment in capital assets | 1,029,921 | 1,070,425 | 910,701 | 995,092 | 1,034,198 | 787,396 | 628,541 | 516,911 | 546,333 | 540,774 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted (2) | (465,411) | (818,689) | (1,279,440) | (1,448,121) | (2,472,674) | 2,123,220 | 2,381,534 | 2,365,129 | 2,067,299 | 1,777,165 |
| Total Business type activities | 564,510 | 251,736 | (368,739) | (453,029) | (1,438,476) | 2,910,616 | 3,010,075 | 2,882,040 | 2,613,632 | 2,317,939 |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets (1) | 102,553,086 | 103,238,100 | 98,618,688 | 93,624,146 | 89,917,337 | 84,638,333 | 67,918,808 | 43,177,645 | 62,636,938 | 58,384,496 |
| Restricted | 33,856,101 | 22,467,964 | 19,012,118 | 21,876,721 | 20,680,197 | 26,872,520 | 37,189,039 | 51,367,431 | 32,012,691 | 15,521,674 |
| Unrestricted (2) | (63,672,674) | (61,862,732) | (62,293,293) | (69,553,374) | (80,828,382) | (3,636,976) | (6,773,825) | 1,057,616 | (9,501,021) | 3,604,044 |
| Total Primary Government | \$ 72,736,513 | \$ 63,843,332 | \$ 55,337,513 | \$ 45,947,493 | \$ 29,769,152 | \$ 107,873,877 | \$ 98,334,022 | \$ 95,602,692 | \$ 85,148,608 | \$ 77,510,214 |

Source: CRCS D Financial Records

(1) 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.

(2) 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

| | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular instruction | \$ 82,582,007 | \$ 81,856,442 | \$ 71,654,881 | \$ 71,485,585 | \$ 75,114,121 | \$ 77,735,342 | \$ 71,109,802 | \$ 69,875,055 | \$ 74,294,843 | \$ 72,402,579 |
| Special instruction (4) | 34,094,403 | 34,058,471 | 40,826,106 | 37,972,782 | 28,739,317 | 31,769,307 | 40,851,842 | 39,144,288 | 38,942,281 | 37,719,118 |
| Vocational instruction | 1,458,103 | 1,469,325 | 1,218,658 | 1,311,983 | 1,171,341 | 1,416,369 | 1,410,611 | 1,376,871 | 1,329,036 | 1,227,137 |
| Other instruction | 24,362,773 | 22,283,464 | 22,282,880 | 21,699,300 | 20,844,653 | 19,944,875 | 20,469,838 | 20,624,027 | 24,545,868 | 22,605,625 |
| Total Instruction | 142,497,286 | 139,667,702 | 135,982,525 | 132,468,650 | 125,869,432 | 130,865,893 | 133,842,093 | 131,020,241 | 139,112,028 | 133,954,459 |
| Support services: | | | | | | | | | | |
| Student services | 7,171,840 | 6,469,814 | 5,681,000 | 5,395,080 | 5,429,282 | 5,495,362 | 5,656,741 | 5,359,869 | 4,977,631 | 4,538,595 |
| Instructional staff services | 19,260,877 | 17,073,593 | 17,389,089 | 14,754,665 | 15,091,885 | 11,401,346 | 7,534,866 | 7,621,472 | 8,475,277 | 8,129,012 |
| General administration services | 16,137,923 | 11,534,357 | 10,765,228 | 7,138,446 | 3,529,362 | 5,374,535 | 4,693,205 | 4,653,363 | 3,545,874 | 3,538,854 |
| School administration services | 13,916,134 | 13,832,311 | 13,815,890 | 13,590,131 | 13,122,763 | 13,177,716 | 12,249,699 | 12,249,699 | 13,906,071 | 12,328,078 |
| Business services | 6,629,157 | 6,449,014 | 6,204,875 | 5,445,535 | 5,596,489 | 5,232,791 | 6,293,509 | 5,680,845 | 6,068,161 | 5,622,533 |
| Operations and maintenance | 17,890,691 | 21,986,448 | 21,214,740 | 20,519,028 | 23,628,837 | 19,812,352 | 17,142,185 | 17,982,029 | 17,837,328 | 18,398,999 |
| Student transportation | 9,295,376 | 8,608,201 | 8,102,173 | 8,373,789 | 7,281,662 | 7,665,626 | 7,951,558 | 6,610,408 | 7,359,083 | 5,548,807 |
| Total support services (3) | 90,301,998 | 85,953,738 | 83,172,995 | 75,216,674 | 73,680,280 | 68,159,728 | 61,416,536 | 60,157,665 | 62,169,425 | 58,104,878 |
| Non-instructional programs: | | | | | | | | | | |
| Food Services | 89,010 | 121,783 | 204,193 | 217,375 | 226,745 | 100,701 | 116,539 | 97,989 | 168,194 | 201,939 |
| Community services | 129,581 | 32,016 | 41,524 | 33,500 | 19,667 | 49,137 | 137,933 | 93,866 | 27,825 | 17,196 |
| Total non-instructional expenditures | 218,591 | 153,799 | 245,717 | 250,875 | 246,412 | 149,838 | 254,472 | 191,855 | 196,019 | 219,135 |
| Facilities acquisition/construction | - | - | - | - | - | - | - | - | - | - |
| Interest on long-term debt | 3,835,496 | 3,886,505 | 3,809,709 | 5,794,832 | 5,410,128 | 5,286,603 | 7,061,533 | 6,969,583 | 3,033,480 | 2,467,687 |
| AEA flow through | 7,754,813 | 7,722,183 | 7,396,246 | 7,319,340 | 7,241,289 | 6,879,239 | 6,626,750 | 6,585,536 | 7,259,732 | 7,235,780 |
| Total other expenditures | 11,590,309 | 11,608,688 | 11,205,955 | 13,114,172 | 12,651,417 | 12,165,842 | 13,688,283 | 13,555,119 | 10,293,212 | 9,703,467 |
| Total governmental activities | 244,608,184 | 237,383,927 | 230,607,192 | 221,050,371 | 212,447,541 | 211,341,301 | 209,201,384 | 204,924,900 | 211,770,684 | 201,981,939 |
| Business type activities: | | | | | | | | | | |
| Non-instructional programs: | | | | | | | | | | |
| Day care services | 4,576,377 | 4,567,408 | 4,548,601 | 4,239,714 | 4,389,636 | 4,447,660 | 4,462,868 | 4,490,566 | 4,288,063 | 3,862,538 |
| Nutrition services | 8,536,557 | 8,018,058 | 8,010,051 | 7,519,757 | 7,378,452 | 8,073,582 | 7,892,438 | 7,666,183 | 7,468,171 | 7,377,936 |
| Total Business type activities | 13,112,934 | 12,585,466 | 12,558,652 | 11,759,471 | 11,768,088 | 12,521,242 | 12,355,306 | 12,156,749 | 11,756,234 | 11,240,474 |
| Total primary government expenses | 257,721,118 | 249,969,393 | 243,165,844 | 232,809,842 | 224,215,629 | 223,862,543 | 221,556,690 | 217,081,649 | 223,526,918 | 213,222,413 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Instruction | 8,507,762 | 8,583,150 | 8,634,347 | 9,285,818 | 9,548,001 | 9,199,381 | 9,354,805 | 9,618,215 | 9,911,113 | 9,698,875 |
| Support | 1,126,808 | 1,063,031 | 902,454 | 885,724 | 792,749 | 783,739 | 533,744 | 382,035 | 404,214 | 516,918 |
| Non-instruction | 628,010 | 631,777 | 592,372 | 634,464 | 624,993 | 602,627 | 602,545 | 663,854 | 620,996 | 626,433 |
| Operating grants and contributions (1) (3) | 34,318,690 | 32,797,490 | 31,965,448 | 31,681,740 | 36,595,764 | 29,485,461 | 28,146,816 | 28,242,870 | 38,179,998 | 42,074,181 |
| Capital grants and contributions (2) | - | - | - | 68,827 | 133,544 | 786,573 | 979,130 | 3,421,846 | 6,657,524 | 2,639,870 |
| Total governmental activities | 44,581,270 | 43,075,448 | 42,094,621 | 42,556,573 | 47,695,051 | 40,857,781 | 39,617,040 | 42,328,820 | 55,773,845 | 55,556,277 |
| Business type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Day care services | 4,434,055 | 4,357,878 | 4,427,197 | 4,348,568 | 4,409,491 | 4,347,101 | 4,214,598 | 4,504,350 | 4,214,767 | 3,729,707 |
| Nutrition Services | 2,485,672 | 2,873,298 | 2,893,895 | 3,107,167 | 3,066,837 | 3,181,492 | 3,246,044 | 3,308,093 | 3,389,056 | 3,555,839 |
| Operating grants and contributions | | | | | | | | | | |
| Day care services | 56,508 | 135,925 | 126,853 | 128,635 | 120,998 | 111,976 | 74,869 | 84,491 | 79,298 | 59,221 |
| Nutrition Services | 6,878,321 | 6,043,038 | 5,598,240 | 5,315,410 | 4,888,666 | 4,875,488 | 4,932,927 | 4,669,048 | 4,483,597 | 4,278,906 |
| Capital grants and contributions | | | | | | | | | | |
| Day care services | - | - | - | - | - | - | - | - | - | 175,000 |
| Nutrition Services | - | 178,239 | - | - | - | - | 176,698 | - | - | - |
| Total business type activities | 13,854,556 | 13,586,378 | 13,046,185 | 12,899,780 | 12,485,992 | 12,516,057 | 12,645,136 | 12,565,982 | 12,166,718 | 11,798,673 |
| Total primary government program revenues | 58,435,826 | 56,663,826 | 55,140,806 | 55,456,353 | 60,181,043 | 53,373,838 | 52,262,176 | 54,894,802 | 67,940,563 | 67,354,950 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | (200,026,914) | (194,308,479) | (188,512,571) | (178,493,798) | (164,752,490) | (170,483,520) | (169,584,344) | (162,596,080) | (155,996,839) | (146,425,662) |
| Business type activities | 741,622 | 1,002,912 | 487,533 | 1,140,309 | 717,904 | (5,185) | 289,830 | 409,233 | 410,484 | 558,199 |
| Total primary government net expense | \$ (199,285,292) | \$ (193,305,567) | \$ (188,025,038) | \$ (177,353,489) | \$ (164,034,586) | \$ (170,488,705) | \$ (169,294,514) | \$ (162,186,847) | \$ (155,586,355) | \$ (145,867,463) |

Source: CRCSF 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 | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (200,026,914) | \$ (194,308,479) | \$ (188,512,571) | \$ (178,493,798) | \$ (164,752,490) | \$ (170,483,520) | \$ (169,584,344) | \$ (162,596,080) | \$ (155,996,839) | \$ (146,425,662) |
| Business-type activities | 741,622 | 1,002,912 | 487,533 | 1,140,309 | 717,904 | (5,185) | 289,830 | 409,233 | 410,484 | 558,199 |
| Total primary government net expense | (199,285,292) | (193,305,567) | (188,025,038) | (177,353,489) | (164,034,586) | (170,488,705) | (169,294,514) | (162,186,847) | (155,586,355) | (145,867,463) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes levied for general purposes(1) | 74,811,226 | 73,739,056 | 69,579,547 | 69,041,172 | 72,618,145 | 71,560,255 | 68,392,133 | 65,690,272 | 63,242,917 | 55,473,882 |
| Property taxes levied for debt service | - | - | - | - | - | - | - | - | - | - |
| Property taxes levied for capital projects | 9,468,837 | 8,957,734 | 8,190,048 | 8,174,031 | 4,717,396 | 4,565,888 | 4,381,606 | 4,266,592 | 4,062,241 | 4,025,457 |
| Secure and Advanced Vision for Education (SAVE) | 17,469,112 | 15,915,029 | 15,811,584 | 16,132,575 | 16,746,385 | 14,493,351 | 13,964,236 | 15,499,785 | 16,467,769 | 16,792,473 |
| Income surtaxes | 7,809,208 | 7,304,367 | 7,523,491 | 7,168,294 | 6,869,752 | 8,773,543 | 6,483,657 | 6,245,479 | 6,018,754 | 7,286,421 |
| Grants not restricted to specific programs | 92,844,521 | 92,792,572 | 91,632,494 | 88,098,463 | 82,077,802 | 79,120,660 | 76,163,093 | 75,965,607 | 71,276,920 | 61,586,974 |
| Investment earnings | 1,475,643 | 629,915 | 219,661 | 154,326 | 155,078 | 290,297 | 464,753 | 2,221,668 | 248,167 | 1,096,081 |
| Miscellaneous | 4,204,651 | 4,684,368 | 4,384,059 | 4,688,109 | 3,659,382 | 1,145,978 | 2,106,025 | 2,656,601 | 1,780,172 | 2,103,712 |
| Transfers | 524,123 | 452,228 | 477,417 | 229,722 | 388,495 | 172,862 | 232,136 | 235,752 | 242,600 | 202,168 |
| Total Governmental activities | 208,607,321 | 204,475,269 | 197,818,301 | 193,686,692 | 187,232,435 | 180,122,834 | 172,187,639 | 172,781,756 | 163,339,540 | 148,567,168 |
| Business-type activities | | | | | | | | | | |
| Investment earnings | 32,017 | 7,598 | 4,122 | 2,337 | 2,256 | 2,257 | 2,805 | 3,081 | 6,596 | 6,270 |
| Miscellaneous | 63,258 | 238,603 | 70,052 | 72,523 | 86,580 | 76,331 | 67,536 | 91,846 | 121,213 | 57,405 |
| Transfers | (524,123) | (452,228) | (477,417) | (229,722) | (388,495) | (172,862) | (232,136) | (235,752) | (242,600) | (202,168) |
| Total Business-type activities | (428,848) | (206,027) | (403,243) | (154,862) | (299,659) | (94,274) | (161,795) | (140,825) | (114,791) | (138,493) |
| Total primary government | 208,178,473 | 204,269,242 | 197,415,058 | 193,531,830 | 186,932,776 | 180,028,560 | 172,025,844 | 172,640,931 | 163,224,749 | 148,428,675 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 8,580,407 | 10,166,790 | 9,305,730 | 15,192,894 | 22,479,945 | 9,639,314 | 2,603,295 | 10,185,676 | 7,342,701 | 2,141,506 |
| Business-type activities | 312,774 | 796,885 | 84,290 | 985,447 | 418,245 | (99,459) | 128,035 | 268,408 | 295,693 | 419,706 |
| Total primary government (2) | \$ 8,893,181 | \$ 10,963,675 | \$ 9,390,020 | \$ 16,178,341 | \$ 22,898,190 | \$ 9,539,855 | \$ 2,731,330 | \$ 10,454,084 | \$ 7,638,394 | \$ 2,561,212 |

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) 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 | | | | | | | | | |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
| General Fund | | | | | | | | | | |
| Nonspendable | 253,323 | \$ 228,912 | \$ 275,060 | \$ 292,186 | \$ 603,863 | \$ 297,646 | \$ 266,630 | \$ 272,678 | \$ 202,037 | \$ - |
| Restricted | 2,977,707 | 3,407,403 | 3,807,407 | 3,821,002 | 4,219,634 | 4,172,776 | 4,599,248 | 4,215,252 | 3,291,584 | - |
| Committed | 1,136,680 | - | - | - | - | - | - | - | - | - |
| Unassigned | 28,298,531 | 30,125,316 | 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 |
| Unreserved | - | - | - | - | - | - | - | - | - | 999,069 |
| Total general fund (6) | 32,666,241 | 33,761,631 | 31,362,308 | 25,645,993 | 17,043,568 | 7,668,566 | 3,506,455 | 11,091,220 | 9,076,441 | 6,960,785 |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted (5) | 71,923,820 | \$ 36,031,108 | \$ 29,975,436 | \$ 32,008,921 | \$ 33,373,466 | \$ 33,299,233 | \$ 43,199,945 | \$ 55,758,753 | \$ 32,282,105 | \$ - |
| Assigned | 1,992,680 | 1,934,641 | 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 |
| Unreserved, reported in: | | | | | | | | | | |
| Capital projects funds (3) | - | - | - | - | - | - | - | - | - | (7,195,996) |
| Special revenue funds (4) | - | - | - | - | - | - | - | - | - | 1,646,533 |
| Debt service funds (2) | - | - | - | - | - | - | - | - | - | 113,436 |
| Total all other governmental funds | 73,916,500 | 37,965,749 | 31,871,963 | 33,832,505 | 35,122,324 | 35,018,136 | 40,439,560 | 53,442,606 | 28,631,844 | 15,417,699 |
| Total all governmental funds | \$ 106,582,741 | \$ 71,727,380 | \$ 63,234,271 | \$ 59,478,498 | \$ 52,165,892 | \$ 42,686,702 | \$ 43,946,015 | \$ 64,533,826 | \$ 37,708,285 | \$ 22,378,484 |

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.
- (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) Increase of Restricted fund balance of \$23 million in FY2012 is related to the issuance of \$53 million in SAVE funded debt partially unused.
- (5) Continued improvements in the General Fund reserves for FY2016, FY2017 and FY2018 is largely the result of implimentation of expenditure reductions as well as the continuation of an aggressive cash reserve levy.
- (6) Increase of Restricted fund balance of \$36 million if FY2019 is largely due to the issuance of \$25 million is SAVE Revenue Bonds

**Schedule 5
Cedar Rapids Community School District**

Governmental Funds Revenues

Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
| Federal Sources: | | | | | | | | | | |
| Federal grants(1) | \$ 11,582,405 | \$ 10,205,821 | \$ 9,629,518 | \$ 9,869,405 | \$ 9,806,338 | \$ 13,591,446 | \$ 9,953,558 | \$ 11,889,036 | \$ 23,779,865 | \$ 23,736,739 |
| Total federal sources | 11,582,405 | 10,205,821 | 9,629,518 | 9,869,405 | 9,806,338 | 13,591,446 | 9,953,558 | 11,889,036 | 23,779,865 | 23,736,739 |
| State Sources: | | | | | | | | | | |
| State foundation aid(1) | 84,686,258 | 85,103,402 | 84,269,010 | 80,904,052 | 80,266,246 | 75,545,176 | 74,840,756 | 74,460,283 | 68,970,258 | 59,922,492 |
| State grants and other(2) | 50,086,510 | 47,677,038 | 47,951,653 | 47,555,636 | 45,672,329 | 39,759,972 | 21,059,097 | 20,670,969 | 22,291,461 | 22,059,971 |
| Total state sources | 134,772,768 | 132,780,440 | 132,220,663 | 128,459,688 | 125,938,575 | 115,305,148 | 95,899,853 | 95,131,252 | 91,261,719 | 81,982,463 |
| Local sources | | | | | | | | | | |
| Local taxes(2) | 92,089,268 | 90,001,154 | 85,293,086 | 84,383,497 | 84,205,293 | 84,899,686 | 93,221,631 | 92,502,128 | 88,991,680 | 84,919,931 |
| Tuition | 4,440,377 | 4,439,683 | 4,392,344 | 4,685,211 | 4,684,090 | 4,695,048 | 4,953,225 | 4,755,530 | 4,844,482 | 4,670,374 |
| Other local sources | 9,430,156 | 8,991,924 | 8,200,470 | 8,684,832 | 8,987,417 | 7,575,197 | 8,550,499 | 11,134,514 | 8,585,502 | 8,850,824 |
| Total local sources | 105,959,801 | 103,432,761 | 97,885,900 | 97,753,540 | 97,876,800 | 97,169,931 | 106,725,355 | 108,392,172 | 102,421,664 | 98,441,129 |
| Total governmental revenues | \$ 252,314,974 | \$ 246,419,022 | \$ 239,736,081 | \$ 236,082,633 | \$ 233,621,713 | \$ 226,066,525 | \$ 212,578,766 | \$ 215,412,460 | \$ 217,463,248 | \$ 204,160,331 |

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 | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
| Instruction: | | | | | | | | | | |
| Regular instruction | 81,865,289 | \$ 80,781,071 | \$ 79,531,985 | \$ 80,512,091 | \$ 77,868,718 | \$ 76,908,440 | \$ 71,429,408 | \$ 68,184,007 | \$ 69,191,417 | \$ 68,328,331 |
| Special instruction (2) | 33,623,777 | 33,545,390 | 32,665,039 | 30,649,874 | 29,756,714 | 31,708,940 | 40,581,394 | 39,143,434 | 38,941,398 | 37,714,357 |
| Vocational instruction | 1,448,368 | 1,451,562 | 1,214,838 | 1,338,727 | 1,210,355 | 1,413,807 | 1,395,557 | 1,367,548 | 1,334,357 | 1,230,077 |
| Other instruction | 24,214,004 | 22,011,742 | 22,213,888 | 22,141,972 | 21,286,126 | 19,909,797 | 20,307,485 | 20,622,944 | 24,547,768 | 22,507,719 |
| Total Instruction | 141,151,438 | 137,789,765 | 135,625,750 | 134,642,664 | 130,121,913 | 129,940,984 | 133,713,844 | 129,317,933 | 134,014,940 | 129,780,484 |
| Support services: | | | | | | | | | | |
| Student services | 7,121,048 | 6,391,036 | 5,662,054 | 5,503,668 | 5,606,672 | 5,484,107 | 5,623,392 | 5,360,712 | 4,971,813 | 4,541,787 |
| Instructional staff services (1) | 19,044,695 | 16,916,935 | 17,345,542 | 14,960,475 | 15,528,954 | 9,849,508 | 7,602,176 | 7,683,992 | 8,391,798 | 8,159,522 |
| General administration services | 5,557,891 | 5,407,173 | 4,287,743 | 3,963,884 | 3,630,234 | 3,733,275 | 3,411,657 | 2,849,146 | 2,776,345 | 2,726,123 |
| School administration services | 13,643,280 | 13,630,175 | 13,962,075 | 13,469,569 | 13,492,618 | 12,940,423 | 12,811,320 | 12,446,377 | 12,725,266 | 12,069,782 |
| Business services | 6,572,668 | 6,186,587 | 6,279,907 | 5,953,599 | 6,109,852 | 5,366,101 | 6,293,777 | 5,146,159 | 5,588,720 | 5,584,607 |
| Operations and maintenance | 18,199,717 | 17,251,668 | 16,893,124 | 16,447,672 | 16,984,560 | 16,825,814 | 16,607,966 | 17,242,210 | 17,387,785 | 18,020,623 |
| Student transportation | 10,007,662 | 7,753,445 | 7,357,781 | 7,755,760 | 6,268,848 | 7,019,774 | 7,179,367 | 5,836,541 | 6,750,524 | 5,055,464 |
| AEA flowthrough | 7,754,813 | 7,722,183 | 7,396,246 | 7,319,340 | 7,241,289 | 6,879,239 | 6,626,750 | 6,585,536 | 7,259,732 | 7,235,780 |
| Total support services | 87,901,774 | 81,259,202 | 79,184,472 | 75,373,967 | 74,863,027 | 68,098,241 | 66,156,405 | 63,150,673 | 65,851,983 | 63,393,688 |
| Non-instructional programs: | | | | | | | | | | |
| Food service | 89,010 | 121,783 | 204,193 | 217,375 | 226,745 | 100,701 | 116,539 | 97,989 | 168,194 | 201,939 |
| Community services | 111,456 | 32,016 | 34,274 | 33,500 | 19,667 | 49,137 | 107,824 | 93,866 | 27,825 | 17,196 |
| Total non-instructional services | 200,466 | 153,799 | 238,467 | 250,875 | 246,412 | 149,838 | 224,363 | 191,855 | 196,019 | 219,135 |
| Other expenditures: | | | | | | | | | | |
| Debt Service | | | | | | | | | | |
| Principal | 4,131,553 | 8,340,000 | 8,369,000 | 3,710,000 | 2,725,000 | 2,595,000 | 2,495,000 | 2,495,000 | 2,390,000 | 26,805,000 |
| Interest | 3,704,526 | 3,935,104 | 4,211,594 | 5,549,533 | 5,323,475 | 5,389,345 | 5,482,908 | 5,838,578 | 1,992,902 | 2,619,410 |
| Bond Issuance Costs | 173,632 | - | - | 118,828 | 368,537 | - | - | 924,019 | 759,582 | - |
| Capital Outlay | | | | | | | | | | |
| Facility acquisition/construction | 6,764,596 | 7,935,012 | 9,031,771 | 9,477,119 | 19,594,128 | 21,634,075 | 25,633,248 | 40,609,496 | 39,244,082 | 15,863,521 |
| Total other expenditures | 14,774,307 | 20,210,116 | 21,612,365 | 18,855,480 | 28,011,140 | 29,618,420 | 33,611,156 | 49,867,093 | 44,386,566 | 45,287,931 |
| Total expenditures | \$ 244,027,985 | \$ 239,412,882 | \$ 236,661,054 | \$ 229,122,986 | \$ 233,242,492 | \$ 227,807,483 | \$ 233,705,768 | \$ 242,527,554 | \$ 244,449,508 | \$ 238,681,238 |
| Transfers out | - | 14,567,406 | 16,870,047 | 10,875,517 | 10,439,793 | 10,440,035 | 10,790,574 | 21,406,538 | 11,383,410 | 6,576,134 |
| Total expenditures and transfers | \$ 244,027,985 | \$ 253,980,288 | \$ 253,531,101 | \$ 239,998,503 | \$ 243,682,285 | \$ 238,247,518 | \$ 244,496,342 | \$ 263,934,092 | \$ 255,832,918 | \$ 245,257,372 |
| Capital Outlays | 2,643,144 | 1,865,777 | 2,443,164 | 6,201,764 | 15,808,404 | 20,136,600 | 25,748,205 | 37,579,774 | 37,077,277 | 12,498,802 |
| Total Expenditures less Capital Outlays | 241,384,841 | 237,547,105 | 234,217,890 | 222,921,222 | 217,434,088 | 207,670,883 | 207,957,563 | 204,947,780 | 207,372,231 | 226,182,436 |
| Debt Service (principal & interest only) | 7,836,079 | 12,275,104 | 12,580,594 | 9,259,533 | 8,048,475 | 7,984,345 | 7,977,908 | 8,333,578 | 4,382,902 | 29,424,410 |
| Debt service (P&I) as a percentage of noncapital expenditures | 3.25% | 5.17% | 5.37% | 4.15% | 3.70% | 3.84% | 3.84% | 4.07% | 2.11% | 13.01% |

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 | | | | | | | | | |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|------------------------|----------------------|----------------------|------------------------|
| | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
| Excess of revenues over (under) expenditures | \$ 8,287,109 | \$ 7,006,140 | \$ 3,075,027 | \$ 6,959,647 | \$ 379,221 | \$ (1,740,958) | \$ (21,127,002) | \$ (27,115,094) | \$ (26,986,260) | \$ (34,520,907) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Bond issuance proceeds | 25,185,000 | - | - | 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 | 414,635 | - | - | - | - | - | - | - | - | - |
| Premium on bonds | - | - | - | 1,535,560 | - | - | - | 279,883 | 231,000 | - |
| Sale of capital assets | 444,494 | 377,047 | 203,329 | 2,677 | 378,668 | 308,783 | 307,055 | - | - | - |
| Payment to refunding escrow agent | - | - | - | (15,350,000) | (57,270,194) | - | - | - | - | - |
| Transfers in | 9,115,160 | 15,019,634 | 17,347,464 | 11,105,239 | 10,828,288 | 10,612,897 | 11,022,710 | 21,642,290 | 11,626,010 | 6,778,302 |
| Transfers out | (8,591,037) | (14,567,406) | (16,870,047) | (10,875,517) | (10,439,793) | (10,440,035) | (10,790,574) | (21,406,538) | (11,383,410) | (6,576,134) |
| Total other financing sources (uses) | 26,568,252 | 829,275 | 680,746 | 352,959 | 9,099,969 | 481,645 | 539,191 | 53,940,635 | 42,316,061 | 202,168 |
| Special item, misappropriated collections (1) | - | - | - | - | - | - | - | - | - | 587,784 |
| Net change in fund balances | \$ 34,855,361 | \$ 7,835,415 | \$ 3,755,773 | \$ 7,312,606 | \$ 9,479,190 | \$ (1,259,313) | \$ (20,587,811) | \$ 26,825,541 | \$ 15,329,801 | \$ (33,730,955) |

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. Improvements made in FY2018 are due to building reserves in Management Fund and Save Funds. Improvements made in FY2019 are mainly due to the issuance of \$28.185 million in SAVE revenue bonds for the construction of a new elementary school.

**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 | Utility with Gas & Elect | Multi-Residential | Total | Agriculture | Residential <small>(net of personal exemptions)</small> | Commercial | Industrial | Railroad | Utility | |
| 2017 | 2019 | \$73,146,748 | \$6,520,261,826 | \$1,549,020,415 | \$116,229,272 | \$19,698,624 | \$1,153,671,038 | \$218,120,169 | \$9,650,148,092 | \$39,706,309 | \$3,580,673,703 | \$1,368,611,742 | \$103,257,132 | \$17,728,762 | \$255,268,928 | \$170,821,551 | \$5,536,068,127 | \$15.07020 |
| 2016 | 2018 | 80,097,249 | 6,303,678,612 | 1,346,705,765 | 112,573,610 | 21,410,296 | 1,041,102,410 | 204,156,318 | 9,109,724,260 | 37,883,626 | 3,549,563,279 | 1,195,514,224 | 100,064,190 | 19,269,268 | 261,354,487 | 167,758,878 | 5,331,407,952 | 15.37529 |
| 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 |

| Calendar Year | State Rollback Factors | | | | | | | |
|---------------|------------------------|-------------|-------------|------------|------------|-----------|-----------|-------------------|
| | Assessed | Agriculture | Residential | Commercial | Industrial | Railroad | Utility | Multi-Residential |
| 2017 | | 54.4480% | 55.6209% | 90.0000% | 90.0000% | 90.0000% | 100.0000% | 78.7500% |
| 2016 | | 47.4996% | 56.9391% | 90.0000% | 90.0000% | 90.0000% | 100.0000% | 82.5000% |
| 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% | |

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)

Overlapping Rates ⁽¹⁾

| <u>Fiscal Year</u> | <u>Cedar Rapids Community Schools District Direct Rates</u> | | | <u>Overlapping Rates ⁽¹⁾</u> | | | | | | | |
|--------------------|---|-------------------------|-----------------|---|------------------------|-------------------------|-----------------------|---------------------|-----------------------|--------------------|-----------------------------------|
| | <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> | <u>Kirkwood Community College</u> |
| 2019 | 12.82566 | 2.24454 | 15.07020 | 15.21621 | 4.40002 | 15.20171 | 14.22338 | 13.07197 | 7.92171 | 5.83902 | 1.20354 |
| 2018 | 13.34784 | 2.02745 | 15.37529 | 15.21621 | 4.40003 | 15.41180 | 13.98943 | 13.08333 | 7.67714 | 6.14108 | 1.13174 |
| 2017 | 13.78089 | 1.59418 | 15.37507 | 15.21621 | 4.40002 | 15.41169 | 13.82108 | 12.65519 | 7.96103 | 6.14108 | 1.08048 |
| 2016 | 13.78269 | 1.59761 | 15.38030 | 15.21621 | 4.40002 | 15.40867 | 13.58625 | 13.00441 | 7.97127 | 6.14225 | 1.06125 |
| 2015 | 14.55646 | 0.92800 | 15.48446 | 15.21621 | 4.25013 | 15.20483 | 13.12953 | 13.02338 | 7.93060 | 6.14191 | 1.05754 |
| 2014 | 14.55313 | 0.92268 | 15.47581 | 15.21621 | 4.25998 | 15.18434 | 13.15637 | 12.43422 | 7.77881 | 6.11191 | 1.06473 |
| 2013 | 14.23893 | 0.92196 | 15.16089 | 15.21621 | 4.26168 | 15.15751 | 13.62416 | 12.43424 | 8.02375 | 6.11191 | 1.07888 |
| 2012 | 14.22226 | 0.93808 | 15.16034 | 15.21621 | 4.26166 | 15.53068 | 13.50980 | 11.85206 | 8.60023 | 6.11117 | 0.99870 |
| 2011 | 14.23859 | 0.93187 | 15.17046 | 15.21621 | 4.34000 | 15.31001 | 13.63603 | 11.89459 | 9.01063 | 6.68290 | 0.92566 |
| 2010 | 12.96275 | 0.95541 | 13.91816 | 15.21621 | 4.10667 | 15.31410 | 13.86482 | 11.89459 | 9.28024 | 5.95245 | 0.84042 |

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 2017 for FY 2019 Revenue | | | Assessed Value 2008 for FY 2010 Revenue | | |
|----------------------------------|--------------------------------------|--|------------------------|--|--|----------------------|--|
| | | FY19 Rank | Amount | Percentage of Total Assessed Valuation | FY10 Rank | Amount | Percentage of Total Assessed Valuation |
| Interstate Power /Alliant Energy | Natural Gas & Electric Utility | 1 | 705,427,856 | 7.03% | 1 | 253,340,488 | 3.27% |
| Mid American Energy | Natural Gas & Electric Utility | 2 | 149,555,363 | 1.49% | 5 | 30,321,368 | 0.39% |
| A Shapiro LLC | Realty Investment | 3 | 56,850,624 | 0.57% | - | - | - |
| Nextera Energy Duane Arnold | Electric Utility | 4 | 38,910,400 | 0.39% | - | - | - |
| St Luke's Methodist Hospital | Medical Facility | 5 | 28,925,500 | 0.29% | - | - | - |
| Cedar Real Estate Group III LLC | Residential \$ Commerical Real Estat | 6 | 23,370,000 | 0.23% | - | - | - |
| Aegon U S Holding Corp | Investment Services | 7 | 21,516,300 | 0.21% | - | - | - |
| Great America Building LLC | Investment Services | 8 | 19,996,700 | 0.20% | - | - | - |
| Hy Vee Food Stores Inc | Retail Grocer & Gas Station | 9 | 17,693,800 | 0.18% | 7 | 23,146,241 | 0.30% |
| Cargill Inc | Agriculture Processing | 10 | 17,163,300 | 0.17% | - | - | - |
| FPL Energy Duane Arnold Plant | Electric Utility | - | - | - | 2 | 119,495,753 | 1.54% |
| AEGON/Life Investors Inc. | Insurance | - | - | - | 3 | 51,171,541 | 0.66% |
| Robert K. Miell - Individual | Real Estate Holdings | - | - | - | 4 | 38,477,708 | 0.50% |
| ITC Midwest LLC | Electric Utility | - | - | - | 6 | 25,040,945 | 0.32% |
| Qwest | Telecommunications | - | - | - | 8 | 21,791,993 | 0.28% |
| Walmart & Sam's Club | Retail | - | - | - | 9 | 21,531,059 | 0.28% |
| Westdale Capital Investments LLC | Residential Real Estate | - | - | - | 10 | 19,415,371 | 0.25% |
| Total | | | \$1,079,409,843 | 10.76% | | \$603,732,467 | 7.79% |

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 |
| 2019 | \$84,367,070 | \$83,878,683 | 99.4% | \$401,380 | \$84,280,063 | 99.90% |
| 2018 | \$82,547,053 | \$82,646,026 | 100.1% | \$50,764 | \$82,696,790 | 100.18% |
| 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% |

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

| <u>Governmental Activities</u> | | | | | | | | | | | | | | | |
|--------------------------------|---------------------------|-------------------|-------------------------------|---------------------------------|---------------------------------|------------------------------|----------------------|---------------------------------|--|------------------------|--|----------------------------------|--|--------------------------------------|--|
| <u>Fiscal Year</u> | <u>SAVE Revenue Bonds</u> | <u>QSCB Bonds</u> | <u>School Refunding Bonds</u> | <u>General Obligation Bonds</u> | <u>Lease Purchase Agreement</u> | <u>Anticipatory Warrants</u> | <u>Bond Premiums</u> | <u>Total Primary Government</u> | <u>Less Amount Restricted for Debt Service</u> | <u>Net Bonded Debt</u> | <u>Percentage of Personal Income (1)</u> | <u>Total Debt Per Capita (1)</u> | <u>Net Bonded Debt(2) Per Capita (1)</u> | <u>Taxable (2) Value of Property</u> | <u>Ratio of Net Bonded Debt (2) to Taxable Value of Property</u> |
| 2019 | \$107,790,000 | \$11,842,461 | \$5,300,000 | \$ - | \$327,082 | \$ - | \$ 671,021 | \$125,930,564 | \$6,485,163 | \$119,445,401 | 0.97% | \$463 | \$439 | \$5,536,068,127 | 2.16% |
| 2018 | 83,669,000 | 11,842,461 | 8,280,000 | - | - | - | 1,010,248 | 104,801,709 | 4,511,382 | 100,290,327 | 0.86% | \$389 | \$372 | \$5,331,407,952 | 1.88% |
| 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% |

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 | |
| 2019 | \$17,564,112 | 1,064,000 | 3,290,028 | 4.03 |
| 2018 | 15,931,017 | 5,540,000 | 3,381,104 | 1.79 |
| 2017 | 16,227,805 | - | 9,052,184 | 1.79 |
| 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 | - | - | - | - |

Source: District Financial Records

**Schedule 14
Cedar Rapids Community School District**

Direct and Overlapping Governmental Activities Debt

As of June 30, 2019

| | Gross Debt Outstanding | Percentage Applicable to Governmental Unit (1) | Cedar Rapids Community School District Share of Debt |
|--|-----------------------------------|---|---|
| Direct: | | | |
| Cedar Rapids Community School District | \$5,300,000 | 100.00% | \$5,300,000 |
| Overlapping: | | | |
| City of Bertram | | | |
| City of Cedar Rapids | \$168,904,887 | 67.68% | \$114,321,200 |
| City of Hiawatha | \$22,085,000 | 100.00% | \$22,085,000 |
| City of Marion | \$55,245,000 | 1.71% | \$942,174 |
| City of Palo | \$1,845,000 | 100.00% | \$1,845,000 |
| City of Robins | \$5,215,000 | 70.37% | \$3,669,932 |
| Kirkwood Community College | \$48,710,000 | 22.13% | \$10,778,115 |
| Linn County | \$34,550,000 | 50.19% | \$17,339,732 |
| Total Overlapping | <u>336,554,887</u> | | <u>170,981,153</u> |
| Total Direct and Overlapping Debt | <u><u>\$341,854,887</u></u> | 51.57% | <u><u>\$176,281,153</u></u> |

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 | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
| Assessed valuation | \$9,650,148,092 | \$9,109,724,260 | \$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 |
| Legal debt limit (5% of Assessed Valuation) | 482,507,405 | 455,486,213 | 433,802,805 | 427,342,839 | 419,237,776 | 412,536,421 | 410,694,758 | 405,036,561 | 391,075,422 | 387,637,697 |
| District debt applicable | \$125,930,564 | \$104,801,709 | \$113,477,085 | \$122,198,251 | \$125,946,452 | 116,766,377 | 119,453,454 | 122,045,637 | 70,934,666 | 31,328,300 |
| Legal debt margin | <u>\$ 356,576,841</u> | <u>\$ 350,684,504</u> | <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> |
| District debt applicable as a percentage of Legal debt limit | 26.1% | 23.0% | 26.2% | 28.6% | 30.0% | 28.3% | 28.9% | 30.1% | 18.0% | 8.1% |

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 % |
|----------------------|-------------------|------------------------|--------------------------|----------------------------|
| 2018 | 271,830 | 12,928,850,000 | \$47,562 | 2.8% |
| 2017 | 269,330 | 12,121,300,000 | \$45,005 | 2.7% |
| 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 |

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>2019</u> | | | <u>2010</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> |
| Collins Aerospace | 8,200 | 1 | 4.38% | 9,000 | 1 | 5.15% |
| TransAmerica/TATA | 3,340 | 2 | 1.78% | 3,500 | 2 | 2.00% |
| St. Lukes Hopsital | 2,979 | 3 | 1.59% | 2,800 | 4 | 1.60% |
| Whirlpool Corporation | 3,430 | 4 | 1.83% | 2,650 | 5 | 1.52% |
| Cedar Rapids Community School District | 2,879 | 5 | 1.54% | 2,900 | 3 | 1.66% |
| Hy-Vee Food Stores | 2,356 | 6 | 1.26% | 2,545 | 6 | 1.46% |
| Nordstrom Direct | 2,150 | 7 | 1.15% | - | - | - |
| Mercy Medical Center | 2,140 | 8 | 1.14% | 2,498 | 7 | 1.43% |
| Pearson | 1,765 | 9 | 0.94% | - | - | - |
| Linn-Mar Community School District | 1,223 | 10 | 0.65% | - | - | - |
| City of Cedar Rapids | - | - | - | 1,493 | 8 | 0.85% |
| Kirkwood Community College | - | - | - | 1,410 | 9 | 0.81% |
| Walmart Stores Inc | - | - | - | 1,030 | 10 | 0.59% |
| Totals | 30,462 | | 16.26% | 29,826 | | 17.07% |

Sources:

Cedar Rapids Economic Alliance - 2019 The Demographic and Economic Report - for employer employment.
Woods and Poole Economics 2019 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

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | Percentage Change 2009-2018 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------------------|
| 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 | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.0 | 1.0 | 1.0 | 0.00% |
| Principals and Assistants | 45.0 | 45.0 | 45.0 | 47.0 | 46.0 | 47.0 | 49.0 | 48.0 | 48.0 | 48.0 | -6.25% |
| District Administrators | 18.8 | 18.8 | 17.1 | 14.0 | 13.0 | 13.0 | 10.0 | 12.0 | 13.0 | 13.0 | 44.23% |
| Supervisors | 6.0 | 6.0 | 6.0 | 8.0 | 9.0 | 8.0 | 7.0 | 7.0 | 7.0 | 8.0 | -25.00% |
| Total Administration | 71.8 | 71.8 | 71.1 | 72.0 | 71.0 | 71.0 | 69.0 | 69.0 | 70.0 | 71.0 | 1.13% |
| Teachers | | | | | | | | | | | |
| PreK-12 (3), Music, Physical Education and Art | 977 | 959.0 | 956.3 | 916.4 | 923.6 | 911.4 | 930.4 | 938.1 | 952.1 | 969.5 | 0.77% |
| Special Education | 231.80 | 220.4 | 225.6 | 229.5 | 210.2 | 211.7 | 222.3 | 213.6 | 218.4 | 219.4 | 5.65% |
| Federal Programs | 35.27 | 26.6 | 25.1 | 26.5 | 27.8 | 28.8 | 31.3 | 23.1 | 39.9 | 41.3 | -14.60% |
| Media Specialist | 16.50 | 16.0 | 16.0 | 15.5 | 18.5 | 19.5 | 21.0 | 21.5 | 24.0 | 25.0 | -34.00% |
| Counselors | 47 | 47.0 | 47.0 | 45.0 | 46.0 | 49.0 | 46.0 | 49.8 | 47.0 | 48.8 | -3.69% |
| Total Teachers | 1,307.6 | 1,269.0 | 1,269.9 | 1,232.8 | 1,226.1 | 1,220.4 | 1,251.0 | 1,246.1 | 1,281.4 | 1,304.0 | 0.28% |
| Support Personnel | | | | | | | | | | | |
| Clerical | 145.53 | 145.6 | 146.6 | 146.8 | 137.4 | 156.7 | 169.1 | 182.2 | 184.7 | 182.8 | -20.39% |
| Teacher aides, Special Education | 297.58 | 285.5 | 268.5 | 265.3 | 270.9 | 248.1 | 309.0 | 272.2 | 295.8 | 257.0 | 15.79% |
| Teacher aides, regular | 98.94 | 92.4 | 90.1 | 91.0 | 83.7 | 120.5 | 135.9 | 132.0 | 135.2 | 124.1 | -20.27% |
| Custodial and maintenance | 145.38 | 146.1 | 138.6 | 142.1 | 141.9 | 148.4 | 152.5 | 161.1 | 163.3 | 171.4 | -15.18% |
| Bus drivers/Attendants | 149.5 | 142.0 | 111.7 | 115.1 | 105.5 | 104.9 | 114.0 | 115.0 | 113.6 | 111.0 | 34.68% |
| Food service workers | 146.11 | 141.0 | 134.7 | 131.4 | 131.8 | 128.0 | 138.8 | 138.4 | 141.5 | 134.3 | 8.79% |
| Nurses/Volunteer Coordinator | 17 | 20.9 | 20.3 | 16.8 | 13.3 | 13.0 | 14.0 | 14.0 | 14.5 | 14.5 | 17.24% |
| Crafts and trades | 8 | 8.0 | 8.0 | 9.0 | 10.0 | 11.0 | 11.0 | 12.0 | 18.6 | 22.8 | -64.91% |
| Data processing | 0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.5 | -100.00% |
| Day care | 95 | 82.1 | 92.1 | 99.3 | 97.4 | 104.8 | 105.7 | 117.7 | 108.1 | 105.0 | -9.52% |
| Other(2) | 226.47 | 226.8 | 162.9 | 135.9 | 117.9 | 150.2 | 88.6 | 69.8 | 65.8 | 54.3 | 317.07% |
| Total Support Personnel | 1,329.5 | 1,290.3 | 1,173.5 | 1,152.5 | 1,109.7 | 1,185.6 | 1,238.6 | 1,214.4 | 1,241.0 | 1,180.7 | 12.60% |
| Total Staff | 2,708.9 | 2,631.1 | 2,514.5 | 2,457.3 | 2,406.8 | 2,477.0 | 2,558.6 | 2,529.5 | 2,592.4 | 2,555.7 | 5.99% |

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> |
| 2019 | 16,963 | \$208,269,248 | \$12,278 | 9.1% | \$257,721,118 | \$15,193 | 4.1% | 1,307.6 | 13.0 | 8,549 | 50.4% |
| 2018 | 17,129 | 192,717,829 | 11,251 | 2.9% | 249,967,604 | 14,593 | 2.6% | 1,269.0 | 13.5 | 8,518 | 49.7% |
| 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% |

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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</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 | 312,035 |
| Architectural Capacity | 1,800 | 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 | 1,734 |
| Enrollment | 1,504 | 1,504 | 1,504 | 1,490 | 1,516 | 1,496 | 1,467 | 1,525 | 1,538 | 1,625 | |
| 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 | 1,882 | 1,882 | 1,761 | 1,749 | 1,780 | 1,721 | 1,766 | 1,792 | 1,790 | |
| 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 | 393 | 393 | 410 | 374 | 358 | 337 | 415 | 462 | 585 | |
| Washington (1959) | | | | | | | | | | | |
| Square feet | 311,919 | 311,919 | 311,919 | 311,919 | 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 | 1,336 | 1,336 | 1,366 | 1,364 | 1,381 | 1,381 | 1,409 | 1,414 | 1,435 | |
| 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 | 653 | 653 | 649 | 663 | 637 | 644 | 636 | 622 | 640 | |
| 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 | 840 | 840 | 813 | 807 | 837 | 883 | 870 | 895 | 835 | |
| McKinley (1922) | | | | | | | | | | | |

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

| Building | Fiscal Year | | | | | | | | | |
|---------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| | 138,476 | 138,476 | 138,476 | 138,476 | 138,476 | 138,476 | 138,476 | 138,476 | 138,476 | 138,476 |
| Square feet | | | | | | | | | | |
| 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 | 492 | 492 | 523 | 535 | 543 | 556 | 562 | 561 | 541 |
| 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 | 521 | 521 | 556 | 566 | 601 | 564 | 549 | 555 | 504 |
| 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 | 608 | 608 | 581 | 580 | 567 | 616 | 658 | 653 | 646 |
| 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 | 378 | 378 | 368 | 368 | 381 | 379 | 508 | 504 | 774 |
| 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 | 305 | 305 | 344 | 367 | 368 | 354 | 339 | 332 | 312 |
| 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 | 343 | 343 | 355 | 347 | 347 | 345 | 309 | 301 | 320 |
| 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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| | Enrollment | 414 | 414 | 414 | 405 | 410 | 430 | 454 | 424 | 408 | 458 |
| 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 | 382 | 382 | 376 | 358 | 381 | 421 | 300 | 312 | 325 |
| 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 | 456 | 456 | 309 | 309 | 309 | 309 | 309 | 309 |
| | Enrollment | 209 | 209 | 209 | 280 | 270 | 269 | 231 | 187 | 222 | 287 |
| 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 | 470 | 470 | 447 | 479 | 495 | 487 | 571 | 545 | 562 |
| Grant (1961) | K-1 | | | | | | | | | | |
| | Square feet | 46,565 | 46,565 | 46,565 | 46,565 | 46,565 | 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 | 369 | 369 | 360 | 379 | 394 | 385 | 151 | 154 | 151 |
| 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 | 351 | 351 | 343 | 324 | 310 | 340 | 292 | 301 | 304 |
| 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 | 353 | 353 | 340 | 288 | 282 | 282 | 271 | 255 | 243 |
| 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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| Building | 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 | 428 | 428 | 454 | 423 | 390 | 391 | 390 | 382 | 395 |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| Monroe (1961) (2) | K-only | | | | | | | | | | |
| | Square feet | | | | | | | 27,175 | 27,175 | 27,175 | |
| | Architectural Capacity | | | | | | | 350 | 350 | 350 | |
| | Educational Capacity | | | | | | | 350 | 350 | 350 | |
| | Enrollment | | | | | | | 220 | 189 | 196 | |

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

| Building | | Fiscal Year | | | | | | | | | |
|--------------------------|-------------------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</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 | 306 | 306 | 313 | 330 | 346 | 350 | 278 | 285 | 301 |
| 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 | 414 | 414 | 387 | 390 | 412 | 405 | 439 | 480 | 471 |
| 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 | 100 | 100 | 350 | 350 | 350 |
| | Educational Capacity | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 350 | 350 | 350 |
| | Enrollment | 62 | 62 | 62 | 72 | 70 | 76 | 50 | 214 | 192 | 195 |
| 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 | 219 | 219 | 255 | 237 | 260 | 252 | 237 | 228 | 232 |
| 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 | 266 | 266 | 267 | 275 | 308 | 324 | 330 | 340 | 335 |
| | 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 | 379 | 379 | 380 | 365 | 345 | 410 | 404 | 350 |
| 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 | 385 | 385 |

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

| Building | Fiscal Year | | | | | | | | | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
| Enrollment | 294 | 294 | 294 | 323 | 336 | 339 | 315 | 260 | 258 | 232 |
| Totals | | | | | | | | | | |
| Square feet | 2,790,242 | 2,790,242 | 2,790,242 | 2,790,242 | 2,791,017 | 2,788,371 | 2,788,371 | 2,815,546 | 2,802,562 | 2,815,546 |
| Architectural Capacity | 20,330 | 20,330 | 20,330 | 20,330 | 20,330 | 20,330 | 20,330 | 20,930 | 20,930 | 20,930 |
| Educational Capacity | 19,671 | 19,671 | 19,671 | 19,671 | 19,524 | 19,524 | 19,524 | 20,124 | 20,124 | 20,124 |
| Building Enrollment | 15,913 | 15,913 | 15,913 | 15,852 | 15,749 | 15,961 | 15,831 | 15,975 | 16,066 | 16,597 |
| % Architectural Capacity | 78.27% | 78.27% | 78.27% | 77.97% | 77.47% | 78.51% | 77.87% | 76.33% | 76.76% | 79.30% |
| % Educational Capacity | 80.90% | 80.90% | 80.90% | 80.59% | 80.66% | 81.75% | 81.08% | 79.38% | 79.84% | 82.47% |

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, 2019, 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, 2019.

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 of 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, 2019, 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.

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 District'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, 2019

**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 Each Major Federal Program

We have audited Cedar Rapids Community School District's (the District) compliance with the types of compliance requirements described in the *OMB 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, 2019. 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 major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

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, 2019

Cedar Rapids Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-through Identifying Number | Pass-Through to Subrecipients | Program Expenditures |
|---|---------------------------|---------------------------------------|----------------------------------|-------------------------|
| Indirect: | | | | |
| U.S. Department of Agriculture: | | | | |
| Passed through Iowa Department of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| School Breakfast Program | 10.553 | 4552 | \$ - | \$ 1,368,003 |
| National School Lunch Program | 10.555 | 4553 | - | 4,577,635 |
| National School Lunch Program USDA Commodities (Noncash) | 10.555 | 4951 | - | 536,140 |
| Summer Food Service Program for Children | 10.559 | 4556 | - | 138,010 |
| Subtotal | | | - | 6,619,788 |
| Fresh Fruit & Vegetable Pilot Program | 10.582 | 4557 | - | 123,316 |
| Child and Adult Care Food Program | 10.558 | 4554 | - | 56,509 |
| BASICS; Pick a Better Snack | 10.561 | 4671 | - | 46,979 |
| School Lunch Equipment Grant | 10.579 | 4011 | - | 63,680 |
| Passed through Iowa State University of Science and Technology | | | | |
| Agriculture and Food Research Initiative - SWITCH ** | 10.310 | 4771 | - | 1,650 |
| Total U.S. Department of Agriculture | | | - | 6,911,922 |
| U.S. Department of Education: | | | | |
| Passed through Iowa Department of Education: | | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 4501 | - | 3,664,254 |
| Title I Grants to Local Educational Agencies - Carryover | 84.010 | 4508 | - | 587,095 |
| Title I Grants to Local Educational Agencies - Section 1003 | | | | |
| School Improvement | 84.010 | 4501/432 | - | 59,583 |
| Subtotal | | | - | 4,310,932 |
| IDEA Part B- High Cost Funds * | 84.027 | 4525 | - | 48,058 |
| Special Ed- State Personnel Dev- SPDG | 84.323 | 4526 | - | 8,398 |
| Title IIA- Federal Teacher Quality (Class Size Reduction Program) | 84.367 | 4643 | - | 625,823 |
| Title III- Immigrant Children & Youth | 84.365 | 4644; Program 412 | - | 26,903 |
| Twenty-first Century Comm Learning Centers | 84.287 | 4646 | - | 225,000 |
| Perkins Vocational Education Program- Basic | 84.048 | 4531 | - | 205,605 |
| Gear Up Iowa | 84.334 | 4674 | - | 211,048 |
| Education for Homeless Children and Youth | 84.196 | 4565 | - | 40,000 |
| Rehab Serv - Voc Rehab Grant TAP | 84.126 | 4598 | - | 87,477 |
| Title IV - Student Support and Academic Enrichment | 84.424 | 4669 | - | 95,803 |
| Hurricane Education Recovery | 84.938 | 4656 | - | 37,250 |
| | | | - | 5,922,297 |
| Passed through Grant Wood Area Education Agency, | | | | |
| Special Education Grants to States IDEA Part B * | 84.027 | 4521 | - | 895,012 |
| Total U.S. Department of Education | | | - | 6,817,309 |
| U.S. Department of Justice: | | | | |
| Passed through State University of Iowa | | | | |
| National Institute of Justice Research, Evaluation, and Development Project Grants - LINK ** | 16.560 | 4772 | - | 902,396 |
| U.S. Department of Human Services: | | | | |
| Passed through Iowa Department of Education: | | | | |
| Developmental Disabilities Project of National Significance | 93.631 | 4695 | - | 385 |
| Total expenditures of federal awards | | | \$ - | \$ 14,632,012 |

* Total Special Education Cluster - \$943,070

** Total Research and Development Cluster - \$904,046

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, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Cedar Rapids Community School District under programs of the federal government for the year ended June 30, 2019. 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). Because the Schedule presents only a selected portion of the operations of Cedar Rapids Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Cedar Rapids Community School District.

Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

Note 3. Indirect Cost Rate

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

Cedar Rapids Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2019**

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 of the Uniform Guidance?

Yes No

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------|---|
| 10.553, 10.555, 10.559 | Child Nutrition Cluster |
| 16.560, 10.350 | Research and Development 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, 2019**

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

19-IV-A Certified Budget

Expenditures/expenses during the year ended June 30, 2019 did not exceed budget amounts.

19-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.

19-IV-C Travel Expenses

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

19-IV-D Business Transactions

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

19-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.

19-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, 2019**

19-IV-G Certified Enrollment

Finding: There were various certified enrollment variances identified by the State that resulted in an increase of 6.52 students from the October 1, 2018 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.

19-IV-H Supplementary Weighting

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

19-IV-I Deposits and Investments

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

19-IV-J Certified Annual Report

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

19-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, 2019**

19-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, 2019, the District's financial activity and other required information for the statewide sales, services and use tax revenue are as follows:

| | |
|--|----------------------|
| Beginning balance | \$ 7,387,621 |
| Statewide sales, services and use tax | 17,564,112 |
| Interest earned | 158,662 |
| Miscellaneous revenue | 70,319 |
| Proceeds from issuance of bonds | 25,185,000 |
| Proceeds from disposal of capital assets | 230,183 |
| Transferred in | 1,813,571 |
| Expenditures/transfers out: | |
| Instruction | (2,050,053) |
| Support services | (1,783,389) |
| Capital: | |
| Buildings | (2,225,908) |
| Equipment | (152,312) |
| Debt issuance costs | (173,632) |
| Transfers out to debt service | (4,305,675) |
| Transfers out to general fund | (1,938,774) |
| Ending balance | <u>\$ 39,779,725</u> |

For the year ended June 30, 2019, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

19-IV-M Deficit Balances

Finding: The Daycare Services Fund has a deficit balance of \$1,016,816 at June 30, 2019 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.

19-IV-N Revenue Bonds

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

19-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) were noted.

19-IV-P Early Childhood Iowa Area Board

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