

COMPREHENSIVE ANNUAL FINANCE REPORT

OF THE LINN-MAR COMMUNITY SCHOOL DISTRICT

For the fiscal year ending June 30, 2018

OFFICIAL ISSUING REPORT

J.T. Anderson, CPA
Chief Financial Officer
Chief Operating Officer



2999 North 10th Street • Marion, IA 52302

Comprehensive Annual Financial Report of the

Linn-Mar Community School District
Marion, Iowa

For the Fiscal Year Ended June 30, 2018

Official Issuing Report
J.T. Anderson, CPA, Chief Financial Officer

Office Issuing Report
Business Office

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Inspire Learning. **Unlock Potential. Empower Achievement.**

2999 North Tenth St.
Marion, IA 52302

Shannon Bisgard
Superintendent

Nathan Wear
Associate Superintendent

J.T. Anderson
Chief Financial Officer/Chief
Operating Officer

Leisa Breitfelder
Executive Director of
Student Services

Karla Christian
Chief HR Officer/Executive
Director of Communications

Jeri Ramos
Executive Director of
Technology Services

Sondra Nelson
President
Board of Education

November 30, 2018

Sondra Nelson, President,
Members of the Board of Education,
and the Citizens of Linn-Mar Community School District
Marion, Iowa

We are proud to submit to you the Comprehensive Annual Financial Report of the Linn-Mar Community School District for the year ending June 30, 2018. This report has been prepared to conform to the guidelines recommended by the Association of School Business Officials International.

MANAGEMENT RESPONSIBILITY

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of the operations of the governmental activities, business-type activities, each major fund and aggregate of the remaining funds of the District in accordance with generally accepted accounting principles, (GAAP). It includes all funds of the entire District. The District is not included in any other reporting entity, nor are other entities included within this report. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

CAFR

The 2018 Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Internal Controls and Compliance.

Introductory Section- This section includes a transmittal letter, economic outlook of the community, the District's accomplishments, the Certificate of Excellence in Financial Reporting for the year ended June 30, 2017, the District's Team Leadership Network and a list of the Board of Directors and District Officials.

Financial Section- The School District's financial statements and schedules are presented in accordance with the financial reporting pyramid set forth by the Governmental Accounting Standards Board. This section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), audited basic financial statements,

required supplementary information, and combining and individual fund statements and schedules. The audited basic financial statements provide both an overview and a broad long-term perspective of the School District as a whole in the government-wide financial statements. The MD&A is provided by management as a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Statistical Section- This section includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparison.

Compliance Section- This section includes audit reports relating to the Board's single audit over internal control, federal and state awards, Schedule of Expenditures of Federal and State Awards.

Linn-Mar Community School District

This report includes all funds of the Linn-Mar Community School District. The District provides a full range of services including instructional, administrative, transportation, food service, maintenance of sites and facilities, custodial, clerical and extra- and co-curricular activities.

The District is governed by a seven-member elected Board of Education. Board terms are four years with school elections held in November of odd numbered years. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators.

The Linn-Mar Community School District is located in Linn County in east central Iowa. The District includes portions of the Cities of Cedar Rapids, Marion and Robins, as well as unincorporated land in northern Linn County. The District originated in 1948 as Marion Rural Independent School District, and became the Marion Rural Community School District under the Community School Reorganization Act adopted in 1955. It operated under this name from 1955 to 1963 when its name was changed to Linn-Mar Community School District. The District is currently the 12th largest of Iowa's 333 public school systems. The certified enrollment taken on October 1, 2017, was approximately 7,436 students, which is an increase of approximately 124 students from 2016-17. The District operates one high school, two middle schools, seven elementary schools, an alternative High School Program, a special education transition program, a home school assistance program and an early childhood preschool program. The District provides a full range of educational services appropriate to students in early childhood and preschool through grade twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational-technical education; and numerous individualized programs such as specialized instruction for students at-risk and for limited English speaking students.

In addition to a strong PK-12 educational program, the District works with Kirkwood Community College to offer courses for qualified high school students and a community education program for adult learners.

The District is supported financially by state aid, property taxes, state and federal grants for special projects, local revenue received for tuition and other services, and a state-wide one percent sales tax.

Economic Condition and Outlook

Linn-Mar Community School District is located in the Cedar Rapids Metropolitan Service Area (MSA). The District covers 64 square miles and encompasses the north part of the city of Marion and the NE portion of city of Cedar Rapids. The Cedar Rapids Metropolitan Service Area is home to numerous Fortune 500 companies, two of which are located within Linn-Mar's District boundaries.

Rockwell Collins, a Fortune 500 company, is the largest employer, not only in the Linn-Mar District, but in the Cedar Rapids metro area. Rockwell Collins produces advanced communications and aviation electronics for both government and commercial customers. The company is a leading supplier of commercial and military aviation electronics and communications systems.

Rockwell Collins currently employs approximately 8,000 people in the Cedar Rapids / Iowa City. In 2017, United Technologies Corporation (UTC) announced its intention to buy Rockwell Collins in a \$30 billion acquisition. Under UTC's acquisition, Rockwell Collins will become a combined business unit with UTC Aerospace Systems called Collins Aerospace Systems. Once fully approved, this acquisition would be the largest in aerospace history. It is anticipated that Rockwell Collins (or Collins Aerospace Systems) will continue to have the state's largest technical workforce.

Unemployment rates in the MSA Corridor continue to remain lower than national averages. The City of Marion continues to grow as does the City of Cedar Rapids. During calendar year 2017, the City of Marion issued 171 single-family dwelling building permits, 29 multi-family permits, and 25 new commercial building permits. District taxable assessed valuations have continued steady growth to over \$2.1 billion for January 2017 values.

The District's facilities are in average-to-good condition. The oldest building, which opened in 1948 and has several additions, was repurposed in 2010 to house the central administrative offices, the district's alternative HS program, and the district's home school assistance program. Four facilities were initially built between 1959 and 1968. Each has had several additions over the years. The five remaining school sites were built between 1995 and 2010. Many of these buildings have also had additions and/or renovations. The Transportation and Operations & Maintenance facility was completed in 2010. In 2013, construction was completed on a district Aquatic Center.

On September 11, 2018, voters of the Linn-Mar Community School District approved a \$55 million general obligation bond vote for the construction of two new intermediate buildings. These buildings are scheduled to be open in the Fall of 2020.

The financial solvency ratio of the District measures movement and distribution of current assets. The financial solvency ratio represents a school district's year-end position after payment of all current and outstanding or accrued liabilities. Iowa Association of School Boards recommends a target solvency ratio within a range of 5% to 15%. Since fiscal year 2009 the District has maintained a solvency ratio within this defined range. The current solvency ratio is 10.56%, which is a slight decrease from 11.11% during 2016-17. The State set the supplemental state aid growth rate at 1.0% for the 2019 fiscal year. Future supplemental state aid beyond fiscal year 2019 is not known, but the District is projecting little to no growth as the State is currently struggling to meet its legislative budget requirements. Despite this unknown, Linn-Mar continues to realize steady enrollment growth and the District will thoughtfully plan its budget in order to maintain a solvency ratio and unspent balance ratio that is within the target range of 5% to 15%.

District Major Initiative and Achievements

The staff, board, students, and community members are to be commended for making the 2017-2018 school year a very productive one. Some of the many accomplishments for the year include:

- The District hosted its own Professional Learning Community conference for all certified staff, bringing in nationally-renown speakers and professionals for this two-day workshop.
- A 10-year capital projects and facilities plan was developed and approved by the Board of Education.
- Many staff members received local, regional, state, and national recognition from various professional and community organizations for the dedicated work in educating our youth.
- Major construction projects included work on three of the district's oldest buildings; Bowman Woods Elementary, Indian Creek Elementary, and Wilkins Elementary.
- The recording of approximately 24,381 volunteer hours with over 1,639 active volunteers in the District. Volunteers enhance our students' learning by acting as tutors, reading to kindergarten classrooms, assisting teachers in their classrooms or on field trips, or serving on committees. Last year, 89 volunteers gave more than 100 hours each to our schools.
- The District was recognized for its continued excellence in financial reporting with the receipt of the District's fourteenth consecutive Certificate of Excellence in Financial Reporting award for the 2016-2017 Comprehensive Annual Financial Report (CAFR).

All of the dedicated work that went into these initiatives and achievements had one main focus: supporting the learning of the District's students. For the 2017-2018 school year, the students, as a group, continued to perform at a high level. Following are a few indicators:

- Student achievement exceeded the primary goal of one year of growth for each grade span in reading, math and science as measured on the Iowa Assessment standardized test.
- Students in grades 5-8 met or exceeded their target growth on the NWEA MAP mathematics and reading tests.
- On the Iowa Assessments, the students out-performed the state and nation in the content areas of reading, math, and science, continuing a multi-year tradition.
- Linn-Mar students continue to score higher than both the state and national averages of students that complete the ACT assessment. The 17-18 Linn-Mar Community School District composite ACT score was 23.7 compared to 21.8 for the state.
- The 2017-18 Linn-Mar composite average for Advanced Placement exams was 3.55.
- On the FAST Assessment Linn-Mar students achieved at a 80% proficiency level in the Spring of 2018.
- Six Linn-Mar students were recognized as National Merit semi-finalists.

Financial Information

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 addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. 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. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties the District prepares a more detailed budget for each fund. The following information reflects the comprehensive budget for these individual funds rather than demonstrating compliance at the legal level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Independent Audit

State law and District policy require an annual audit to be made of the books of account, financial records and transactions of all funds of the District by a Certified Public Accountant selected by the Board of Directors of the District. The District has complied with this requirement. The report of the District's independent accountants, Bohnsack & Frommelt, LLP, appears in this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United State of America and, accordingly, included a review of the District's system of budgetary and accounting controls.

Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO), awards a Certificate of Excellence in Financial Reporting. This certificate is a prestigious national award recognizing conformance with the highest standards for preparation of government financial reports.

In order to be eligible to receive the Certificate, 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.

This Certificate is valid for a period of one year only. The District believes that the current CAFR conforms to the requirements for the Certificate of Excellence and therefore, is submitting to ASBO to determine its eligibility for the Certificate.

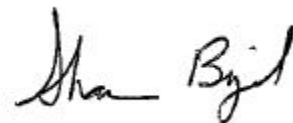
Acknowledgements

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 would not have been possible without the help of several people. We would like to express our appreciation to all District, City and County employees who assisted in the preparation of this report.

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



J.T. Anderson
Chief Financial Officer
Chief Operating Officer



Shannon Bisgard
Superintendent of Schools



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Linn-Mar Community School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

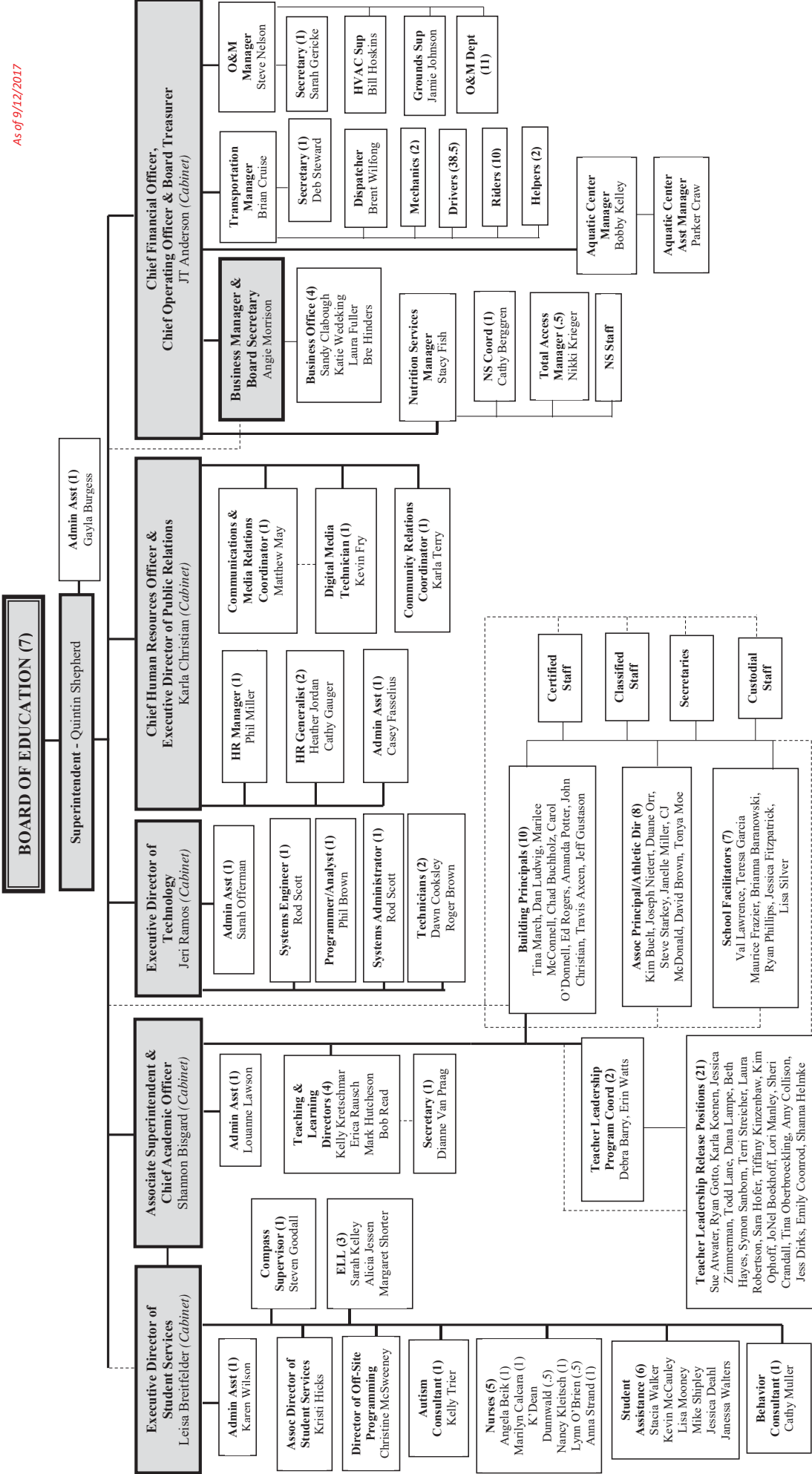


Charles Peterson, Jr.

John D. Mueso

2017-18 ORGANIZATIONAL CHART

As of 9/12/2017



Linn-Mar Community School District

**Board of Education and School District Administration
Year Ended June 30, 2018**

Name	Title	Term Expires
Board of Education		
Sondra Nelson	President	2019
George AbouAssaly	Vice President	2019
Tim Isenberg	Board Member	2019
Cara Lausen	Board Member	2021
Rachel Wall	Board Member	2021
Clark Weaver	Board Member	2019
Sofia Mehaffey	Board Member	2019
School Officials		
Shannon Bisgard	Superintendent	2019
JT Anderson	Chief Operating Officer/ Chief Financial Officer	2019
Terry Abernathy	Attorney	Indefinite
Simmons, Perrine, Moyer & Bergman, P.C.	Attorney	Indefinite
Ahlers & Cooney, P.C.	Attorney	Indefinite
Lynch Dallas	Attorney	Indefinite





Independent Auditor's Report

To the Board of Education
Linn-Mar Community School District
Marion, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Linn-Mar Community School District, as of and for the year ended June 30, 2018, 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 Linn-Mar Community School District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, the District's net positions for governmental activities and business-type activities has been restated. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, and schedules of proportionate share of the net pension liability and schedules of contributions on pages 4–14 and 53-60 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 other supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other information including the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
November 30, 2018



Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2018

Linn-Mar Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2017-18 Financial Highlights

- The District's net position for governmental activities was \$54,425,191 at June 30, 2018, compared to \$51,324,434 as restated at June 30, 2017, an increase of \$3,100,757 or 6.04 percent.
- The District's net position for business-type activities was \$1,107,394 at June 30, 2018 compared to \$1,135,671 as restated at June 30, 2017, a decrease of \$28,277 or 2.49 percent.
- At the end of fiscal year 2018, the total of assigned and unassigned fund balances in the General Fund was \$8,816,614 or 10.57 percent of total General Fund revenues compared to prior year's total balance of \$8,883,369 or 11.11 percent of total General Fund Revenues.
- The District's long-term bonded debt and capital loan notes decreased approximately \$7,447,000 due to scheduled debt repayments and amortization of premiums and discounts.

Using this Annual Report

The annual report consists of a series of financial statements and other information, as follows:

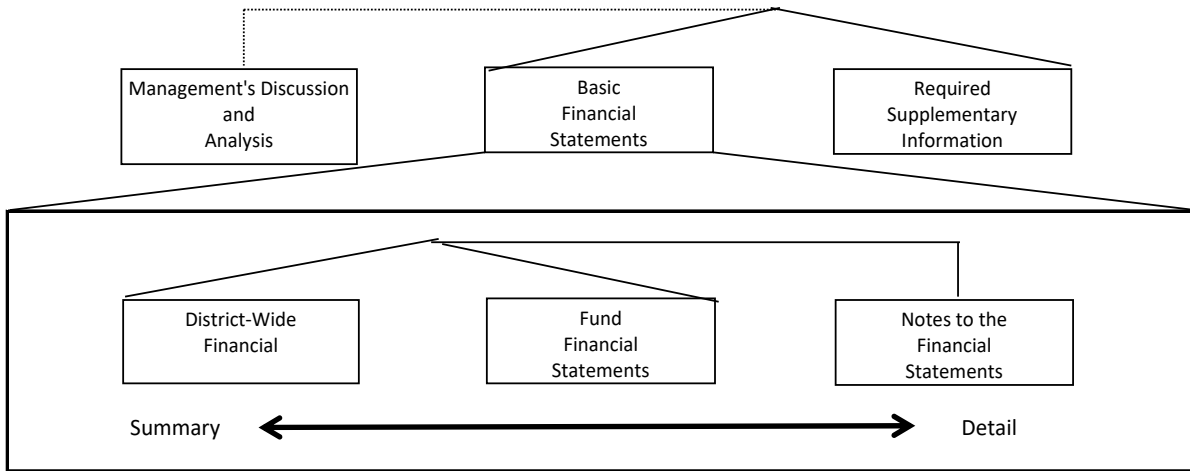
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Linn-Mar Community School District as a whole and present an overall view of the District's finances.
- The fund financial statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year and information regarding the District's retiree health plan and pension plan.
- Other supplementary information provides detailed information about the nonmajor governmental funds and nonmajor enterprise funds.

Linn-Mar Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2018**

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

Figure A-1
Linn-Mar Community School District



Linn-Mar Community School District

**Management’s Discussion and Analysis
Year Ended June 30, 2018**

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.

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
Government-Wide Statements		Fund 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: school nutrition and internal service fund	Instances in which the District administers resources on behalf of someone else, such as scholarship programs, reunion moneys and funds for District employee purchases of pop, etc.
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 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 resources 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 the 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 during the year or soon thereafter	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

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2018

Reporting the District's Financial Activity

Government-Wide Financial Statements

The government-wide financial 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 and deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. 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 it has changed. Net position is one way to measure the District's financial health or position.

- 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 condition of school buildings and other facilities.

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 program, aquatic center and ROAR store activities 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).

The District has two kinds of funds:

- 1) **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 fund statements provide a detailed short-term view that helps 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 in the notes to financial statements explains the relationship (or differences) between them.
- 2) **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 financial statements. The District's Enterprise Funds (one type of proprietary fund) are the same as its business-type activities but provides more detail and additional information, such as cash flows.

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2018

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

Government-Wide Financial Analysis

Net position is an indicator of the fiscal health of the District. The District's net position increased by 5.87 percent, increasing from approximately \$52.46 million at June 30, 2017, to approximately \$55.54 million at June 30, 2018. Figure A-3 below provides a summary of the District's net position as of June 30, 2018 compared to June 30, 2017.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2017-2018
	Restated		Restated		Restated		
	2018	2017	2018	2017	2018	2017	
Current and other assets	\$ 71.39	\$ 69.40	\$ 1.57	\$ 1.42	\$ 72.96	\$ 70.82	3.0%
Capital assets	150.46	152.15	0.66	0.74	151.12	152.89	-1.2%
Total assets	221.85	221.55	2.23	2.16	224.08	223.71	0.2%
Deferred outflows of resources	15.14	14.27	0.45	0.41	15.59	14.68	6.2%
Long-term obligations	134.07	138.85	1.38	1.29	135.45	140.14	-3.3%
Other liabilities	10.86	10.44	0.15	0.12	11.01	10.56	4.3%
Total liabilities	144.93	149.29	1.53	1.41	146.46	150.70	-2.8%
Deferred inflows of resources	37.63	35.21	0.04	0.02	37.67	35.23	6.9%
Net position:							
Net investment in capital assets	70.50	62.55	0.67	0.74	71.17	63.29	12.5%
Restricted	12.01	14.98	-	-	12.01	14.98	-19.8%
Unrestricted	(28.08)	(26.21)	0.44	0.40	(27.64)	(25.81)	7.1%
Total net position	\$ 54.43	\$ 51.32	\$ 1.11	\$ 1.14	\$ 55.54	\$ 52.46	5.9%

Net investment in capital assets, such as land, buildings, machinery and equipment, less any outstanding debt used to acquire those assets is approximately \$71.17 million. These assets are considered non-spendable since they represent capital assets used to provide services to students. The resources needed to pay the obligations from the debt related to these assets must be provided from other resources. Approximately \$12.01 million of net position has some external restrictions on how the funds may be used. The deficit remaining balance of approximately \$27.64 million represents unrestricted net position. Unrestricted net position remains at a deficit net position due to the District's net pension liability reporting requirements which were implemented in fiscal year 2015 and other postemployment benefit liability implemented in fiscal year 2018.

As mentioned before, restricted net position represents resources that are subject to external restrictions such as enabling legislation or constitutional provisions. The District's restricted net position decreased approximately \$2.97 million, or 19.83 percent from the prior year. The decrease in the District's restricted net position was due primarily to the decrease in amounts restricted for debt service compared to the prior year. This decrease is due to scheduled debt repayments during fiscal year 2018.

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2018

Unrestricted net position represents the assets that can be used to finance day-to-day operations without constraints established by debt restrictions, enabling legislation or other legal binding requirements. Unrestricted net position decreased approximately \$1.83 million, or 7.10 percent. The decrease in unrestricted net position was primarily a result of the change in the net position liability and other postemployment benefit liability required to be reported at June 30, 2018 compared to the liability reported at June 30, 2017.

The following figure shows changes in net position for the year ended June 30, 2018, compared to the year ended June 30, 2017.

Figure A-4 Changes in Net Position From Operating Results (in millions)

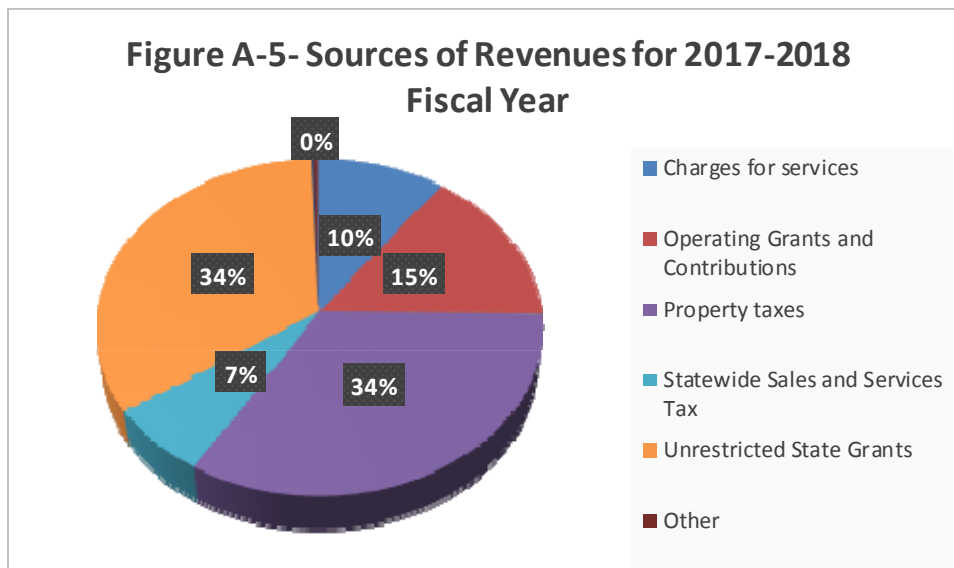
	Governmental Activities		Business-Type Activities		Total School District		Total Change 2017-18
	2018	Not restated 2017	2018	Not restated 2017	2018	Not restated 2017	
Revenues:							
Program revenues:							
Charges for services	\$ 7.85	\$ 6.77	\$ 2.64	\$ 2.57	\$ 10.49	\$ 9.34	12.3%
Operating grants, contributions and restricted interest	14.46	6.58	1.27	1.28	15.73	7.86	100.1%
Capital grants, contributions and restricted interest	0.03	0.03	0.00	0.00	0.03	0.03	0.0%
General revenues:							
Property taxes	34.70	33.04	0.00	0.00	34.70	33.04	5.0%
Revenue in lieu of taxes	0.95	0.00	0.00	0.00	0.95	0.00	0.0%
Statewide sales and services tax	7.16	6.89	0.00	0.00	7.16	6.89	3.9%
Unrestricted state grants	35.24	42.55	0.00	0.00	35.24	42.55	-17.2%
Investment earnings	0.19	0.12	0.01	0.00	0.20	0.12	66.7%
Other	0.38	0.96	0.00	0.00	0.38	0.96	-60.4%
Total revenues	100.96	96.94	3.92	3.85	104.88	100.79	4.1%
Expenses:							
Instruction	58.93	56.71	0.00	0.00	58.93	56.71	3.9%
Support services	28.50	26.19	0.29	0.12	28.79	26.31	9.4%
Noninstructional programs	0.10	0.12	3.62	3.83	3.72	3.95	-5.8%
Other	10.32	10.47	0.04	0.00	10.36	10.47	-1.1%
Total expenses	97.85	93.49	3.95	3.95	101.80	97.44	4.5%
Increase in net position before transfer	3.11	3.45	(0.03)	(0.10)	3.08	3.35	-8.1%
Net position, beginning, as restated							
	51.32	48.86	1.14	1.26	52.46	50.12	
Net position, ending	\$ 54.43	\$ 52.31	\$ 1.11	\$ 1.16	\$ 55.54	\$ 53.47	

During fiscal year 2018, property tax and unrestricted state grants accounted for 69.27 percent of governmental activities revenue while charges for service and operating grants, contributions and restricted interest accounted for all of business type activities revenue.

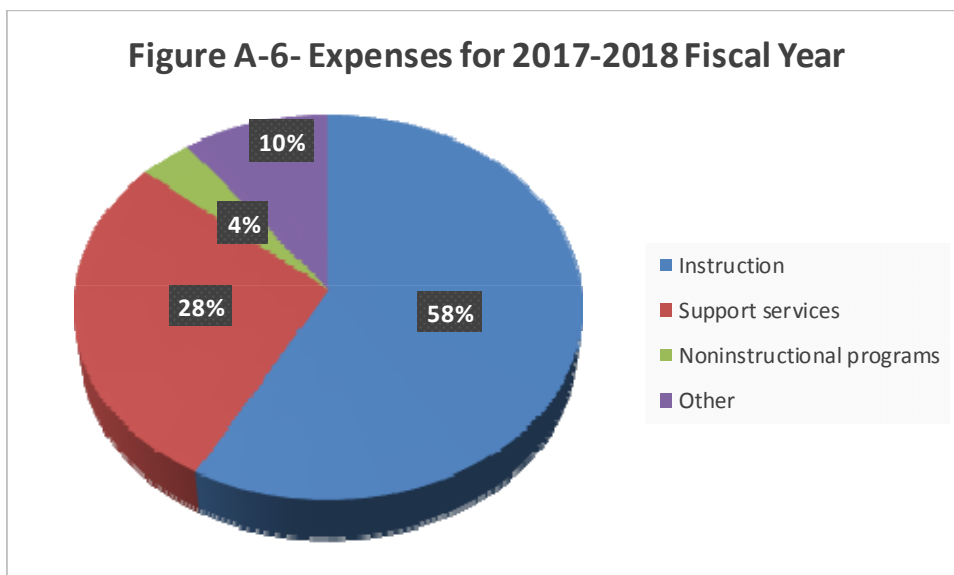
Linn-Mar Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2018**

The District as a whole experienced a 4.06 percent increase in revenue while experiencing a 4.47 percent increase in expenses. The District's total revenue was approximately \$104.88 million of which \$100.96 million was for governmental activities, while the remaining \$3.92 million was for business-type activities. Property taxes and unrestricted state grants account for most of the District's revenue, with each contributing approximately 34 percent of the total dollars collected. (See figure A-5).



The total cost for all programs and services increased 4.47 percent to \$101.80 million. The District's total expenses are listed in Figure A-6. The chart shows that the majority of the District's expenses (86 percent) are devoted to instruction and student instructional support services.



Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2018

Governmental Activities

Revenues for the District's governmental activities increased 4.15 percent, while expenses increased 4.66 percent. The increase in revenues can be attributed to the increase in property tax and operating grant revenues received during fiscal year 2018 as compared to fiscal year 2017.

The District experienced a \$4.36 million increase in governmental activities expenses, the majority of which can be attributed primarily to an increase in negotiated salaries and benefits.

Figure A-7 presents the total and net cost of the District's four major governmental activities: instruction, support services, noninstructional programs and other expenses, for the year ended June 30, 2018 compared to the year ended June 30, 2017.

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	June 30, 2018	June 30, 2017	Change	June 30, 2018	June 30, 2017	Change
			2017-18			2017-18
Instruction	\$ 58.93	\$ 56.71	\$ 0.04	\$ 41.69	\$ 47.91	-13.0%
Support services	28.50	26.19	0.09	26.63	24.72	7.7%
Non-instructional	0.10	0.12	(0.17)	0.10	0.12	-16.7%
Other	10.32	10.47	(0.01)	7.08	7.36	-3.8%
Total	\$ 97.85	\$ 93.49	\$ 0.05	\$ 75.50	\$ 80.11	-5.8%

For the year ended June 30, 2018:

- The cost financed of all governmental activities this year was approximately \$97.85 million.
- The cost financed by users of the District's programs was approximately \$7.85 million.
- Federal and state governments subsidized certain programs with grants and contributions as well as contributions from local sources totaling approximately \$14.49 million.
- The net cost of governmental activities was financed with approximately \$34.70 million in property tax, \$7.16 million in statewide sales, services and use tax, \$35.24 million in unrestricted state grants and \$0.57 million in unrestricted interest and other income.

Business-Type Activities

Revenues of the District's business type activities increased by 1.81 percent to approximately \$3.92 million while expenses remained at approximately \$3.95 million (Refer to Figure A-4). The School Nutrition Fund, Aquatic Center Fund and ROAR Store Fund are the District's three business-type activities. The revenues in these three funds can be broken down into three main categories; charges for service, federal and state reimbursements and investment income.

The District's business type activities net position decreased from approximately \$1.14 million at June 30, 2017 to approximately \$1.11 million at June 30, 2018, an approximate decrease of \$0.03 million or 2.63 percent.

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2018

Governmental Fund Highlights

At the end of fiscal year 2018, the District's governmental funds reported combined ending fund balances of \$24,473,719, a decrease of \$990,412 from the prior year. A closer look at each individual major governmental fund reveals the following:

- The General Fund balance decreased from approximately \$10.40 million on June 30, 2017, to approximately \$9.97 million on June 30, 2018. General Fund revenues increased from the prior year by approximately \$3.57 million. Revenues increased due to increases in assessed valuation for property taxes and increased state funding for programs. General Fund expenditures increased by \$4.23 million due to increases in salaries and benefits.
- The Capital Projects Fund balance decreased from approximately \$7.49 million on June 30, 2017 to approximately \$6.99 million on June 30, 2018. The decrease in overall Capital Projects Fund balance can be attributed to the continued expenses incurred on District construction and building improvement projects during the year. These projects included the High School renovation, Oak Ridge and High School cafeteria expansion, Westfield classroom and parking lot addition projects.
- The Debt Service Fund balance decreased from approximately \$4.34 million on June 30, 2017, to approximately \$4.08 million on June 30, 2018. Revenues and expenditures did not vary significantly from the prior year.

Proprietary Fund Highlights

This was the second year the District's proprietary fund expenses exceeded revenues. Eight of the previous ten years the District's business-type revenues exceeded expenses. At the close of fiscal year 2018, expenses exceeded revenues by \$28,277. Expenses increased primarily due to salaries and benefit expenses incurred compared to the prior year. Steps taken by management to control costs in prior years include adjusting the staffing model, additional federal grant funds and managing fund expenses. These steps have made a difference in the overall financial condition of the nutrition program, the operation of the District's aquatic center and the student ROAR store.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared according to U.S. Generally Accepted Accounting Principles.

A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for the General Fund and major Special Revenue Funds are not presented in the budgetary comparison.

The District's total actual revenues were \$746,146 more than budgeted revenues, a variance of 0.72 percent. The main contributing factor to the variance had to do with the District receiving more in local source revenue than was originally budgeted or anticipated. The District did not exceed the budgeted expenditures/expenses in any of the four functions.

By April 15th of each year, the budget must be adopted by the Board of Directors for the fiscal year beginning July 1 through June 30, which immediately follows. Because there are a number of unknowns at that time, such as State revenue allocations, insurance premiums, negotiated employee contracts, enrollment increase, and construction project invoicing, the District has the ability to amend its budget before May 31st of each year.

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2018

Capital Asset Administration

By the end of fiscal year 2018, the District had invested, net of depreciation, approximately \$151.13 million in various capital assets including land, buildings, vehicles and equipment (See Figure A-8). This amount represents a net decrease of approximately \$1.76 million or 1.15 percent over the previous fiscal year. The primary reason for the decrease in capital assets for fiscal year 2018 is due to depreciation expense exceeding capitalized costs. Detailed information regarding the District's capital assets can be found in Note 5 of the Notes to Basic Financial Statements.

Figure A-8 Capital Assets (Net of Depreciation) (in hundreds)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2018	2017	2018	2017	2018	2017	2017-18
Land	\$ 6,456	\$ 5,262	\$ -	\$ -	\$ 6,456	\$ 5,262	22.7%
Construction in progress	457	27,813	-	-	457	27,813	-98.4%
Buildings	123,953	99,135	-	-	123,953	99,135	25.0%
Land improvements	14,578	14,836	666	-	15,244	14,836	2.8%
Machinery and equipment	5,018	5,103	-	742	5,018	5,845	-14.1%
Total	\$ 150,462	\$ 152,149	\$ 666	\$ 742	\$ 151,128	\$ 152,891	-1.2%

Long-Term Liabilities

At year end, the District had approximately \$135.45 million in long-term debt, a decrease of approximately \$4.69 million from the previous fiscal year. Approximately \$7.43 million of the District's long-term debt is due within one year. The primary reason for the increase in long-term liabilities for fiscal year 2018 is due to the increase in amount reported for net pension liability of the District in accordance with Governmental Accounting Standards Board Statement No. 68. Detailed information regarding the District's long-term debt can be found in Note 6 of the Notes to Basic Financial Statements.

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	2017-18
General obligation bonds	\$ 25,000	\$ 27,305	\$ -	\$ -	\$ 25,000	\$ 27,305	-8.4%
Revenue bonds	49,490	53,310	-	-	49,490	53,310	-7.2%
Capital loan notes	7,945	8,985	-	-	7,945	8,985	-11.6%
Bond premiums, net of amortization	1,326	1,609	-	-	1,326	1,609	-17.6%
Bond discounts, net of amortization	(12)	(14)	-	-	(12)	(14)	-14.3%
Termination benefits	243	487	-	-	243	487	-50.1%
Compensated absences	43	61	-	-	43	61	-29.5%
Net pension liability	47,372	44,644	1,311	1,228	48,683	45,872	6.1%
Net OPEB liability	2,659	2,464	72	67	2,731	2,531	7.9%
Total	\$ 134,066	\$ 138,851	\$ 1,383	\$ 1,295	\$ 135,449	\$ 140,146	-3.4%

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2018

Factors Bearing on the District's Future

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

- The state has set supplemental state aid at 1.0 percent for fiscal year 2019. A supplemental state aid below 4 percent creates significant challenges for schools in Iowa to meet increasing expenditure demands.
- Rockwell Collins, the District's largest employer, was acquired by United Technologies Corporation (UTC). Under UTC's acquisition, Rockwell Collins will become a combined business unit with UTC Aerospace Systems called Collins Aerospace Systems. The impact this merger will have on the District and the Cedar Rapids Metropolitan Area is not fully known.
- With growing underfunded mandates (e.g. special education) and the passing of a \$55 million voter-approved capital bond, the District expects its total tax levy will increase 4% in fiscal year 2020.

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 for the money it receives. If you have questions about this report or need additional financial information, contact the office of the Business Administrator, Linn-Mar Community School District, 2999 10th Street, Marion, Iowa 52302.

BASIC FINANCIAL STATEMENTS



Linn-Mar Community School District

Statement of Net Position

June 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 26,801,084	\$ 1,527,133	28,328,217
Receivables:			
Property tax:			
Delinquent	79,369	-	79,369
Succeeding year	36,643,522	-	36,643,522
Accounts	20,167	110	20,277
Accrued interest	12,900	-	12,900
Due from other governments	3,957,710	-	3,957,710
Inventories	-	39,662	39,662
Restricted cash and pooled investments	3,869,727	-	3,869,727
Capital assets:			
Nondepreciable	6,913,012	-	6,913,012
Depreciable, net	143,549,147	666,154	144,215,301
Total assets	221,846,638	2,233,059	224,079,697
Deferred outflows of resources,			
Pension related deferred outflows	15,139,430	449,574	15,589,004
Liabilities			
Accounts payable	1,631,398	958	1,632,356
Salaries and benefits payable	8,285,064	55,228	8,340,292
Accrued interest payable	945,927	-	945,927
Unearned revenue	-	90,642	90,642
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	2,580,000	-	2,580,000
Revenue bonds payable	3,500,000	-	3,500,000
Capital loan note payable	1,060,000	-	1,060,000
Compensated absences payable	43,057	-	43,057
Termination benefits payable	243,379	-	243,379
Portion due after one year:			
General obligation bonds payable, net premiums/discounts	23,733,225	-	23,733,225
Revenue bonds payable	45,990,000	-	45,990,000
Capital loan note payable	6,885,000	-	6,885,000
Net pension liability	47,371,764	1,310,751	48,682,515
Net OPEB liability	2,659,329	72,671	2,732,000
Total liabilities	144,928,143	1,530,250	146,458,393
Deferred inflows of resources:			
Succeeding year property tax	36,643,522	-	36,643,522
OPEB related deferred inflows	62,546	1,709	64,255
Pension related deferred inflows	926,666	43,280	969,946
Total deferred inflows of resources	37,632,734	44,989	37,677,723
Net Position			
Net investment in capital assets	70,504,714	666,154	71,170,868
Restricted for:			
Categorical funding	1,153,042	-	1,153,042
Debt service	78,947	-	78,947
School infrastructure	6,210,249	-	6,210,249
Physical plant and equipment levy	1,125,569	-	1,125,569
Management levy	2,110,684	-	2,110,684
Student activities	784,803	-	784,803
Public education and recreation levy	542,570	-	542,570
Unrestricted	(28,085,387)	441,240	(27,644,147)
Total net position	\$ 54,425,191	\$ 1,107,394	\$ 55,532,585

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction	\$ 58,931,656	\$ 7,818,599	\$ 9,418,625
Support services:			
Student services	4,484,173	-	1,804,168
Instructional staff	6,346,603	12,000	-
Administration services	7,468,634	-	-
Operation and maintenance of plant services	7,109,445	-	-
Student transportation	3,093,011	15,459	-
Total support services	28,501,866	27,459	1,804,168
Non-instructional programs:			
Food service operations	61,658	-	-
Community service operations	36,890	-	-
Total non-instructional programs	98,548	-	-
Long-term debt interest	2,513,240	-	-
Other expenses:			
AEA flowthrough	3,239,555	-	3,239,555
Depreciation (unallocated)*	4,570,877	-	-
Total other expenses	7,810,432	-	3,239,555
Total governmental activities	97,855,742	7,846,058	14,462,348
Business-type activities:			
School nutrition	3,626,056	2,301,977	1,271,317
Aquatic center	288,691	295,531	-
ROAR store	39,299	43,078	-
Total business-type activities	3,954,046	2,640,586	1,271,317
Total	\$ 101,809,788	\$ 10,486,644	\$ 15,733,665

General revenues:
 Property tax levied for:
 General purposes
 Capital outlay
 Debt service
 Revenue in lieu of taxes
 Statewide sales and services tax
 Unrestricted state grants
 Unrestricted investment earnings
 Other

Total general revenues

Change in net position

Net position, beginning of year, as restated

Net position, end of year

* This amount excludes the depreciation included in the direct expenses of the various programs. See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$ (41,694,432)	\$ -	\$ (41,694,432)
-	(2,680,005)	-	(2,680,005)
-	(6,334,603)	-	(6,334,603)
-	(7,468,634)	-	(7,468,634)
36,900	(7,072,545)	-	(7,072,545)
-	(3,077,552)	-	(3,077,552)
36,900	(26,633,339)	-	(26,633,339)
-	(61,658)	-	(61,658)
-	(36,890)	-	(36,890)
-	(98,548)	-	(98,548)
-	(2,513,240)	-	(2,513,240)
-	-	-	-
-	(4,570,877)	-	(4,570,877)
-	(4,570,877)	-	(4,570,877)
36,900	(75,510,436)	-	(75,510,436)
-	-	(52,762)	(52,762)
-	-	6,840	6,840
-	-	3,779	3,779
-	-	(42,143)	(42,143)
\$ 36,900	\$ (75,510,436)	\$ (42,143)	\$ (75,552,579)
27,750,578	-	-	27,750,578
3,430,959	-	-	3,430,959
3,519,010	-	-	3,519,010
948,662	-	-	948,662
7,158,956	-	-	7,158,956
35,235,868	-	-	35,235,868
186,668	8,596	-	195,264
380,492	5,270	-	385,762
78,611,193	13,866	-	78,625,059
3,100,757	(28,277)	-	3,072,480
51,324,434	1,135,671	-	52,460,105
\$ 54,425,191	\$ 1,107,394	\$ -	\$ 55,532,585

Linn-Mar Community School District

Balance Sheet
Governmental Funds
June 30, 2018

	General	Capital Projects	Debt Service	Nonmajor	Total
Assets					
Cash and pooled investments	\$ 16,477,255	\$ 2,737,076	\$ 4,071,077	\$ 3,515,676	\$ 26,801,084
Restricted cash and pooled investments	-	3,869,727	-	-	3,869,727
Receivables:					
Property tax:					
Delinquent	60,898	7,767	7,887	2,817	79,369
Succeeding year	28,069,513	3,647,706	3,595,525	1,330,778	36,643,522
Due from other governments	3,029,857	927,853	-	-	3,957,710
Interfund receivables	8,515	-	-	-	8,515
Accounts	19,812	-	-	355	20,167
Accrued interest	-	12,900	-	-	12,900
Total assets	\$ 47,665,850	\$ 11,203,029	\$ 7,674,489	\$ 4,849,626	\$ 71,392,994
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,364,928	\$ 219,505	\$ -	\$ 46,965	\$ 1,631,398
Salaries and benefits payable	8,259,753	-	-	25,311	8,285,064
Interfund payables	-	-	-	8,515	8,515
Total liabilities	9,624,681	219,505	-	80,791	9,924,977
Deferred inflows of resources:					
Statewide sales and services tax	-	350,776	-	-	350,776
Succeeding year property tax	28,069,513	3,647,706	3,595,525	1,330,778	36,643,522
Total deferred inflows of resources	28,069,513	3,998,482	3,595,525	1,330,778	36,994,298
Fund balances:					
Restricted for:					
Categorical funding	1,153,042	-	-	-	1,153,042
Debt service	-	-	4,078,964	-	4,078,964
School infrastructure	-	5,859,473	-	-	5,859,473
Physical plant and equipment levy	-	1,125,569	-	-	1,125,569
Management levy	-	-	-	2,110,684	2,110,684
Student activities	-	-	-	784,803	784,803
Public education and recreation levy	-	-	-	542,570	542,570
Assigned for specific purposes	446,136	-	-	-	446,136
Unassigned	8,372,478	-	-	-	8,372,478
Total fund balance	9,971,656	6,985,042	4,078,964	3,438,057	24,473,719
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,665,850	\$ 11,203,029	\$ 7,674,489	\$ 4,849,626	\$ 71,392,994

See Notes to Basic Financial Statements.

Linn-Mar Community School District

**Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
June 30, 2018**

Total fund balances of governmental funds		\$ 24,473,719
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.		150,462,159
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.		350,776
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.		(945,927)
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:		
Deferred inflows of resources related to OPEB	(62,546)	
Deferred outflows of resources related to pension	15,139,430	
Deferred inflows of resources related to pension	<u>(926,666)</u>	14,150,218
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds.		
General obligation bonds payable	(25,000,000)	
Revenue bonds payable	(49,490,000)	
Capital loan notes payable	(7,945,000)	
Unamortized bond discounts	12,478	
Unamortized bond premiums	(1,325,703)	
Termination benefits	(243,379)	
Compensated absences	(43,057)	
Net pension liability	(47,371,764)	
Net OPEB liability	<u>(2,659,329)</u>	(134,065,754)
Net position of governmental activities		<u>\$ 54,425,191</u>

See Notes to Basic Financial Statements.

Linn-Mar Community School District

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018**

	General	Capital Projects	Debt Service	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 26,546,671	\$ 3,430,959	\$ 3,519,010	\$ 1,203,907	\$ 34,700,547
Tuition	5,259,122	-	-	-	5,259,122
Other	1,419,001	196,920	10,104	1,386,057	3,012,082
State sources	47,435,997	6,900,340	94,521	33,658	54,464,516
Federal sources	2,788,965	-	-	-	2,788,965
Total revenues	83,449,756	10,528,219	3,623,635	2,623,622	100,225,232
Expenditures:					
Current:					
Instruction					
Regular	38,641,474	865,429	-	1,643,234	41,150,137
Special	10,345,791	-	-	-	10,345,791
Other	5,773,902	-	-	-	5,773,902
Total instruction	54,761,167	865,429	-	1,643,234	57,269,830
Support services:					
Student services	4,293,607	-	-	8,122	4,301,729
Instructional staff services	6,143,666	598	-	7,371	6,151,635
Administration services	6,981,122	97,058	8,750	17,892	7,104,822
Operation and maintenance of plant services	6,054,518	145,162	-	493,164	6,692,844
Student transportation	2,415,592	474,154	-	130,912	3,020,658
Total support services	25,888,505	716,972	8,750	657,461	27,271,688
Non-instructional programs					
Food service operations	-	-	-	61,516	61,516
Community service operations	-	-	-	36,890	36,890
Total non-instructional	-	-	-	98,406	98,406
Other expenditures:					
Capital outlay	-	3,205,352	-	45,742	3,251,094
AEA flowthrough	3,239,555	-	-	-	3,239,555
Debt service:					
Principal on long-term debt	-	-	7,165,000	-	7,165,000
Interest on long-term debt	-	-	2,960,809	-	2,960,809
Total other	3,239,555	3,205,352	10,125,809	45,742	16,616,458
Total expenditures	83,889,227	4,787,753	10,134,559	2,444,843	101,256,382
Excess (deficiency) of revenues over (under) expenditures	(439,471)	5,740,466	(6,510,924)	178,779	(1,031,150)
Other financing sources (uses):					
Sale of equipment	40,738	-	-	-	40,738
Interfund transfers in	-	-	6,250,189	26,974	6,277,163
Interfund transfers (out)	(26,974)	(6,250,189)	-	-	(6,277,163)
Total other financing sources (uses)	13,764	(6,250,189)	6,250,189	26,974	40,738
Net change in fund balance	(425,707)	(509,723)	(260,735)	205,753	(990,412)
Fund balances, beginning of year	10,397,363	7,494,765	4,339,699	3,232,304	25,464,131
Fund balances, end of year	\$ 9,971,656	\$ 6,985,042	\$ 4,078,964	\$ 3,438,057	\$ 24,473,719

See Notes to Basic Financial Statements.

Linn-Mar Community School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2018**

Net change in fund balances - total governmental funds \$ (990,412)

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, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense in the year are as follows:

Capital outlay	3,712,312	
Depreciation expense	(5,395,081)	
Proceeds from sale of capital assets	(40,738)	
Gain on sale of capital assets	<u>36,543</u>	(1,686,964)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenue for statewide sales and services tax. 350,776

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. Repayments of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year items are as follows:

Principal repayments	7,165,000	
Amortization of premiums and discounts	<u>282,086</u>	7,447,086

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 governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 165,486

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in termination benefits	243,378	
Change in compensated absences	17,881	
Change in pension expense and related deferrals	(2,188,274)	
Change in OPEB expense and related deferrals	<u>(258,200)</u>	(2,185,215)

Change in net position of governmental activities \$ 3,100,757

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Statement of Net Position
 Proprietary Funds
 June 30, 2018

	Business-Type Activities Nonmajor Enterprise Funds
Assets	
Current:	
Cash and cash equivalents	\$ 1,527,133
Accounts receivable	110
Inventories	39,662
Total current assets	<u>1,566,905</u>
Noncurrent:	
Capital assets, net of accumulated depreciation	666,154
Total noncurrent assets	<u>666,154</u>
Total assets	<u>2,233,059</u>
Deferred Outflows of Resources, Pension related deferred outflows	<u>449,574</u>
Liabilities	
Current:	
Accounts payable	958
Salaries and benefits payable	55,228
Unearned revenue	90,642
Total current liabilities	<u>146,828</u>
Noncurrent:	
Net pension liability	1,310,751
Net OPEB liability	72,671
Total noncurrent liabilities	<u>1,383,422</u>
Total liabilities	<u>1,530,250</u>
Deferred Inflows of Resources:	
OPEB related deferred inflows	1,709
Pension related deferred inflows	43,280
Total deferred inflows of resources	<u>44,989</u>
Net Position	
Net investment in capital assets	666,154
Unrestricted	441,240
Total net position	<u>\$ 1,107,394</u>

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2018

	Business-Type Activities Nonmajor Enterprise Funds
Operating revenues:	
Local sources, charges for services	\$ 2,640,586
Miscellaneous	5,270
Total operating revenues	<u>2,645,856</u>
Operating expenses:	
Non-instructional programs:	
Food service:	
Salaries	1,547,784
Benefits	321,673
Services	2,231
Supplies	1,621,208
Depreciation	131,834
Other	1,326
Total food service	<u>3,626,056</u>
Other enterprise	<u>39,299</u>
Community service:	
Salaries	197,121
Benefits	31,486
Services	6,375
Supplies	53,709
Total community service	<u>288,691</u>
Total operating expenses	<u>3,954,046</u>
Operating (loss)	<u>(1,308,190)</u>
Nonoperating revenues:	
State sources	25,650
Federal sources	1,245,667
Interest on investments	8,596
Total nonoperating revenues	<u>1,279,913</u>
Change in net position	(28,277)
Net position, beginning of year, as restated	1,135,671
Net position, end of year	<u>\$ 1,107,394</u>

See Notes to Basic Financial Statements.

Linn-Mar Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2018**

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>
Cash flows from operating activities:	
Cash received from food service sales	\$ 2,310,528
Cash received from aquatic center operations	295,532
Cash received from ROAR store operations	43,078
Cash received from miscellaneous operating activities	5,270
Cash payments to employees for services	(2,009,766)
Cash payments to suppliers for goods or services	(1,518,662)
Net cash (used in) operating activities	<u>(874,020)</u>
Cash flows from noncapital financing activities:	
State grants received	25,650
Federal grants received	1,034,729
Net cash provided by noncapital financing activities	<u>1,060,379</u>
Cash flows from capital financing activities, acquisition of capital assets	<u>(55,815)</u>
Cash flows from investing activities, interest on investments	<u>8,596</u>
Net increase in cash and cash equivalents	139,140
Cash and cash equivalents, beginning of year	1,387,993
Cash and cash equivalents, end of year	<u>\$ 1,527,133</u>
Reconciliation of operating (loss) to net cash (used in) operating activities:	
Operating loss	\$ (1,308,190)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Commodities consumed	210,938
Depreciation	131,834
(Increase) in inventories	(6,405)
(Increase) in accounts receivable	(27)
Increase in accounts payable	953
Increase in salaries and benefits payable	14,186
Increase in other postemployment benefits	5,346
Increase in net pension liability	82,345
(Increase) in deferred outflows of resources	(41,585)
Increase in deferred inflows of resources	28,007
Increase in unearned revenue	8,578
Net cash (used in) operating activities	<u>\$ (874,020)</u>

Noncash: Noncapital financing activities:

During the year ended June 30, 2018, the District used \$210,938 of federal commodities.

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies

Linn-Mar Community School District is a political subdivision of the state of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District operates or sponsors various adult education programs. The geographic area served includes the City of Marion, Iowa, portions of the Cities of Robins and Cedar Rapids and portions of the agricultural territory in Linn County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

Reporting entity:

For financial reporting purposes, Linn-Mar Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also 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 Governmental Accounting Standards Board 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. Linn-Mar Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly governed organizations: The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Linn County Assessors' Conference Board.

Basis of presentation:

District-wide financial statements: The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax 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 plus unspent bond proceeds and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement to 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. Enabling legislation did not result in any restricted net position.

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 that are imposed by management which can be removed or modified.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 1. Summary of Significant Accounting Policies (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customer or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax 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, proprietary and fiduciary funds, even though the latter are excluded from the District-wide financial statements. The District does not have any fiduciary 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. Combining schedules are also included for the Capital Project Fund accounts as well as the nonmajor enterprise funds.

The District reports the following major governmental funds:

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

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The Debt Service Fund is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The District reports the following nonmajor governmental funds:

The Management Levy Fund is used to account for the payment of property and insurance as well as early retirement incentive obligations owed by the District to retirees from prior fiscal years.

The Student Activity Fund is utilized to account for the various student run organizations and athletic accounts operating within the District.

The Public Education and Recreation Levy Fund is utilized to account for the resources used to establish and maintain public recreation places and playgrounds and necessary accommodations for children and adults.

Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows. The District has one proprietary fund. Enterprise funds are used to account for those operations that are financed and operate in a manner similar to private businesses or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

The District reports nonmajor enterprise funds. The District's nonmajor enterprise funds include the School Nutrition Fund, the Aquatic Center Fund, and the ROAR Store Fund. The School Nutrition Fund is used to account for the food service operations of the District. The Aquatic Center Fund is used to account for the operations of the District's pool activities. The ROAR Store Fund is used to account for student store operations of the District.

Measurement focus and basis of accounting:

The District-wide financial statements and the proprietary fund 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 tax is recognized as revenue in the year for which it is levied. 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, 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 the 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, and compensated absences 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 term 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 is 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.

Proprietary 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 a proprietary 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.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund equity:

The following accounting policies are followed in preparing the financial statements:

Cash, pooled investments and cash equivalents: The cash balances of most District funds are pooled and invested. Investments are stated at fair value and non-negotiable certificates of deposit which 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 maturity date no longer than three months.

Property tax 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 that the tax asking is certified by the Board of Education. Delinquent 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 released revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 1/2 % per month penalty for delinquent payments; is based on January 1, 2016 assessed property valuations; is for the tax accrual period July 1, 2017 through June 30, 2018 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2017.

Intergovernmental receivables: Intergovernmental receivables represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories: Inventories are valued at cost using the first-in, first-out method for purchased items and governmental commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 1. Summary of Significant Accounting Policies (Continued)

Capital assets: Capital assets, which include property, machinery, equipment and intangibles acquired after July 1, 1980 are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at 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. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and established useful lives in excess of two years.

Asset Class	Amount
Land	\$ 2,500
Buildings	2,500
Improvements other than buildings	2,500
Intangibles	175,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500

Land is not depreciated. Buildings, land improvements, machinery and equipment and intangibles, if any, are depreciated/amortized using the straight-line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20 years
Intangibles	5 - 20 years
Machinery and equipment	5 - 20 years

Deferred outflows of resources: Deferred outflows of resources represent a consumption of net position that applied to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the District's reporting period.

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.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 1. Summary of Significant Accounting Policies (Continued)

Salaries and benefits payable: Payroll and related expenditures for contracts corresponding to the current school year, which is payable in July and August, have been accrued as liabilities.

Deferred inflows of resources: Deferred inflows of resources represent an acquisition of net position that applies to future year(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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unavailable revenue in the governmental funds consists of property tax and statewide sales and services tax.

Deferred inflows of resources on the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unrecognized items not yet charged to pension expense or other postemployment benefit expense.

Unearned revenue: Proprietary funds defer revenue recognition in connection with resources that have been received but not yet earned. Unearned revenues are monies collected for meals that have not yet been served.

Compensated absences: District employees accumulate a limited amount of earned but unused vacation and sick leave for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the District-wide financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2018. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term liabilities: In the District-wide financial statements, long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

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

Nonspendable: Balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain 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 determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts are not available for appropriation but are set aside for specific purposes in the District's General Fund. The District's Board of Directors authorizes the Chief Executive Officer to assign General Fund balance amounts pursuant to Board Policy 801.4.

Unassigned: All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 1. Summary of Significant Accounting Policies (Continued)

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expenditure toward restricted fund balance and then to less restrictive classifications- assigned and then unassigned fund balances.

Net Position: In proprietary funds, fiduciary funds, and government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 bond proceeds of \$3,790,780. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted by enabling legislation as of June 30, 2018 consists of \$1,153,042 for categorical funding, \$2,110,684 for management levy purposes, \$1,125,569 for physical plant and equipment levy, \$6,210,249 for school infrastructure, \$1,327,373 for other special revenue purposes and \$78,947 for debt service.

Net position flow assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position 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 is applied.

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. Budgets and Budgetary Accounting

Budgets and budgetary control:

The budgetary comparison and related disclosures are reported as Required Supplementary Information based on the program structure of four functional areas as required by state statute for its legally adopted budget.

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district-wide budget and approves the related appropriations following required public notice and hearing for all funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2018

Note 2. Budgets and Budgetary Accounting (Continued)

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functional areas, not by fund. These four functional areas are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula. The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

1. In accordance with the Statutes of the State of Iowa, prior to March 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the proceeding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at functional area level.
2. Public hearings are required to be conducted to obtain taxpayer comment.
3. Prior to April 15, the budget is legally enacted through certification by the County Auditor.
4. Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.
5. The Board of Education may amend the budget during the year without approval of the Board of Education.
6. Appropriations lapse at the end of each fiscal year.
7. The budget cannot be amended without the approval of the Board of Education.
8. Unexpected budgetary balances lapse at June 30 and are not available to finance expenditures or expenses of the following year.

Note 3. Cash and Pooled Investments

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.

As of June 30, 2018, the carrying amount of the District's bank deposits and pooled investments totaled \$32,197,944 with bank balances of \$33,432,343. The District's cash and pooled investments were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with 12C Code of Iowa. This chapter provides additional assessments against depositories to insure there will be no loss of public funds.

As of June 30, 2018, the District had no investments meeting the disclosure requirements of Government Accounting Standards Board Statement No. 72, or any other investments which would require disclosure.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 3. Cash and Pooled Investments (Continued)

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 and must also conform to any loan covenant investment maturity restrictions. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized rating organization (Standard and Poor's and Moody Investor Services). The District's investment policy does not formally address credit risk.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that in in the possession of another party. It is the District's policy to require that time deposits in excess of FDIC insurable limits (\$250,000) be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized.

Note 4. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2018 is as follows:

Transfer To	Transfer From	Amount
Nonmajor fund, Student Activity Fund	General Fund	\$ 26,974
Debt Service Fund	Capital Projects Fund; Statewide Sales, Services and Use Tax Account	5,034,982
Debt Service Fund	Capital Projects Fund; Physical Plant & Equipment Levy Account	1,215,207
		<u>\$ 6,277,163</u>

The transfer from the General Fund to the Student Activity Fund was to repay the Student Activity Fund for safety equipment purchased during the year as approved by the Board of Education.

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Account to the Debt Service Fund was needed for repayment of principal and interest on the District's revenue bond indebtedness as well as for general obligation bond debt relief.

The transfer from the Capital Projects: Physical Plant & Equipment Levy Account to the Debt Service Fund was needed for principal and interest payments on the District's capital loan note indebtedness.

Linn-Mar Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2018

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2018 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,261,530	\$ 1,194,315	\$ -	\$ 6,455,845
Construction in progress	27,812,936	413,336	27,769,105	457,167
Total capital assets not being depreciated	33,074,466	1,607,651	27,769,105	6,913,012
Capital assets being depreciated:				
Buildings	137,932,515	28,211,749	-	166,144,264
Land improvements	21,609,078	838,774	23,975	22,423,877
Machinery and equipment	11,714,884	823,243	319,974	12,218,153
Total capital assets being depreciated	171,256,477	29,873,766	343,949	200,786,294
Less accumulated depreciation for:				
Buildings	38,797,639	3,393,922	-	42,191,561
Land improvements	6,772,837	1,092,333	19,780	7,845,390
Machinery and equipment	6,611,344	908,826	319,974	7,200,196
Total accumulated depreciation	52,181,820	5,395,081	339,754	57,237,147
Total capital assets being depreciated, net	119,074,657	24,478,685	4,195	143,549,147
Governmental activities capital assets, net	\$ 152,149,123	\$ 26,086,336	\$ 27,773,300	\$ 150,462,159
Business-type activities:				
Machinery and equipment	\$ 1,852,123	\$ 55,815	\$ 6,867	\$ 1,901,071
Less accumulated depreciation	1,109,950	131,834	6,867	1,234,917
Business-type activities capital assets, net	\$ 742,173	\$ (76,019)	\$ -	\$ 666,154

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 5. Capital Assets (Continued)

Depreciation expense was charged by the District to the following functions:

Governmental activities:

Instruction:

Regular	\$ 156,873
Special	2,069
Other	99,339

Support services:

Administration	12,418
Operation and maintenance of plant	143,215
Transportation	410,290
Unallocated depreciation	4,570,877

Total governmental activities depreciation expense	<u>\$ 5,395,081</u>
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Business-type activities, food service operations	<u>\$ 131,834</u>
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Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2018 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 27,305,000	\$ -	\$ 2,305,000	\$ 25,000,000	\$ 2,580,000
Premiums on GO bonds	1,609,529	-	283,826	1,325,703	-
Discounts on GO bonds	(14,218)	-	(1,740)	(12,478)	-
Capital loan notes	8,985,000	-	1,040,000	7,945,000	1,060,000
Revenue bonds	53,310,000	-	3,820,000	49,490,000	3,500,000
Termination benefits	486,757	-	243,378	243,379	243,379
Compensated absences	60,938	43,057	60,938	43,057	43,057
Net pension liability	44,643,722	2,728,042	-	47,371,764	-
Net OPEB liability	2,463,675	195,654	-	2,659,329	-
Total	<u>\$ 138,850,403</u>	<u>\$ 2,966,753</u>	<u>\$ 7,751,402</u>	<u>\$ 134,065,754</u>	<u>\$ 7,426,436</u>
Business-type activities					
Net pension liability	\$ 1,228,406	\$ 82,345	\$ -	\$ 1,310,751	\$ -
Net OPEB liability	67,325	5,346	-	72,671	-
Total	<u>\$ 1,295,731</u>	<u>\$ 87,691</u>	<u>\$ -</u>	<u>\$ 1,383,422</u>	<u>\$ -</u>

Compensated absences, net pension liability, and net OPEB liability are generally liquidated from the General Fund for governmental activities and the respective enterprise fund for business-type activities.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 6. Long-Term Liabilities (Continued)

General obligation bonds: As of June 30, 2018, the District had general obligation bonds outstanding of \$25,000,000 which had been issued for capital facility construction/building improvement purposes in prior fiscal years. The general obligation bonds will be paid with property taxes collected in the Debt Service Fund. Details of the District's June 30, 2018 general obligation bonded indebtedness are as follows:

Year Ending June 30	Bond Issue of April 12, 2011			Bond Issue of February 24, 2014		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2019	3.25%	\$ -	\$ 343,663	1.30%	\$ 790,000	\$ 38,860
2020	3.25	-	343,662	1.65	800,000	28,590
2021	3.25	-	343,663	1.90	810,000	15,390
2022	3.25	-	343,663	-	-	-
2023	3.25	-	343,663	-	-	-
2024	3.25	2,535,000	343,663	-	-	-
2025	3.50	3,665,000	261,275	-	-	-
2026	3.50	3,800,000	133,000	-	-	-
Total		\$ 10,000,000	\$ 2,456,252		\$ 2,400,000	\$ 82,840

Year Ending June 30	Bond Issue of March 8, 2017			Total		
	Interest Rate	Principal	Interest	Principal	Interest	Total
2019	5.00%	\$ 1,790,000	\$ 630,000	2,580,000	1,012,523	3,592,523
2020	5.00	1,890,000	540,500	2,690,000	912,752	3,602,752
2021	5.00	1,990,000	446,000	2,800,000	805,053	3,605,053
2022	5.00	3,000,000	346,500	3,000,000	690,163	3,690,163
2023	5.00	3,160,000	196,500	3,160,000	540,163	3,700,163
2024	5.00	770,000	38,500	3,305,000	382,163	3,687,163
2025	-	-	-	3,665,000	261,275	3,926,275
2026	-	-	-	3,800,000	133,000	3,933,000
Total		\$ 12,600,000	\$ 2,198,000	\$ 25,000,000	\$ 4,737,092	\$ 29,737,092

Revenue bonds: As of June 30, 2018, the District had statewide sales, services and use tax bonds of \$49,490,000, which had been issued for capital facility construction/building improvement projects. These bonds will be paid with statewide sales, services and use tax revenues collected in the Capital Projects: Statewide Sales, Services and Use Tax Fund. Details of the District's June 30, 2018 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Linn-Mar Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2018

Note 6. Long-Term Liabilities (Continued)

Year Ending June 30	Revenue Bonds Issuance					
	March 1, 2010			October 1, 2012		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2019	4.00%	\$ 1,215,000	\$ 790,730	1.35%	\$ 730,000	\$ 205,880
2020	4.00	1,270,000	541,030	1.50	745,000	195,365
2021	4.00	1,325,000	689,130	1.65	760,000	183,508
2022	4.00	1,380,000	635,030	1.75	775,000	170,456
2023	4.13	1,440,000	577,730	1.90	795,000	156,123
2024	4.25	1,510,000	515,943	2.00	815,000	140,420
2025	4.30	1,580,000	449,885	2.20	835,000	123,085
2026	4.40	1,655,000	379,505	2.30	855,000	104,068
2027	4.50	1,735,000	304,058	2.40	880,000	83,675
2028	4.60	1,820,000	223,160	2.50	910,000	61,740
2029	4.63	1,910,000	137,131	2.60	935,000	38,210
2030	4.63	2,010,000	46,481	2.70	965,000	13,028
Total		\$ 18,850,000	\$ 5,289,813		\$ 10,000,000	\$ 1,475,558

Year Ending June 30	Revenue Bonds Issuance					
	June 4, 2013			October 21, 2014		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2019	1.25%	\$ 760,000	\$ 208,058	1.45%	\$ 260,000	\$ 80,562
2020	1.50	765,000	197,570	1.70	260,000	76,468
2021	1.75	765,000	185,138	1.85	260,000	71,852
2022	2.00	790,000	170,545	2.15	260,000	66,653
2023	2.00	790,000	154,745	2.30	260,000	60,868
2024	2.25	790,000	137,958	2.45	260,000	54,693
2025	2.40	800,000	119,470	2.70	260,000	47,998
2026	2.60	820,000	99,210	2.90	260,000	40,718
2027	2.75	820,000	77,275	3.10	260,000	32,918
2028	3.00	800,000	54,000	3.40	260,000	24,468
2029	3.00	700,000	85,500	3.60	260,000	15,368
2030	3.00	700,000	10,500	3.75	285,000	5,344
Total		\$ 9,300,000	\$ 1,499,969		\$ 3,145,000	\$ 577,910

Year Ending June 30	Revenue Bonds Issuance					
	July 1, 2015			Total		
	Interest Rate	Principal	Interest	Principal	Interest	Total
2019	2.61%	\$ 535,000	\$ 206,908	\$ 3,500,000	\$ 1,492,138	\$ 4,992,138
2020	2.61	545,000	192,814	3,585,000	1,203,247	4,788,247
2021	2.61	575,000	178,197	3,685,000	1,307,825	4,992,825
2022	2.61	585,000	163,060	3,790,000	1,205,744	4,995,744
2023	2.61	610,000	147,465	3,895,000	1,096,931	4,991,931
2024	2.61	635,000	131,218	4,010,000	980,232	4,990,232
2025	2.61	685,000	113,992	4,160,000	854,430	5,014,430
2026	2.61	710,000	95,787	4,300,000	719,288	5,019,288
2027	2.61	735,000	76,930	4,430,000	574,856	5,004,856
2028	2.61	785,000	57,094	4,575,000	420,462	4,995,462
2029	2.61	895,000	35,170	4,700,000	311,379	5,011,379
2030	2.61	900,000	11,745	4,860,000	87,098	4,947,098
Total		\$ 8,195,000	\$ 1,410,380	\$ 49,490,000	\$ 10,253,630	\$ 59,743,630

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 6. Long-Term Liabilities (Continued)

The District has pledged future statewide sales, services and use tax revenues to repay the bonds issued in March of 2010, October of 2012, June of 2013, October of 2014, and July of 2015. The bonds were issued for the purpose of financing a portion of the costs of several ongoing projects or to refund prior year revenue bond issuances. The bonds are payable solely from the proceeds of the statewide sales, services, and use tax revenues received by the District and are payable through 2030. The bonds are not general obligations of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 78 percent of the statewide sales, services, and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$59,743,630. For the current year, \$3,820,000 of principal and \$1,583,105 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$6,808,180.

The resolution providing for the issuance of statewide sales, services and use tax revenue bonds include the following provisions:

1. \$3,869,727 of the proceeds from the issuance of revenue bonds have been deposited in reserve accounts at Farmer's State Bank, Marion, Iowa to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available.
2. All proceeds from the statewide sales, services and use tax will be retained by the District in District bank accounts and be disbursed to the proper paying agents at the time principal and interest payments are due.

Capital loan notes: As of June 30, 2018, the District had capital loan notes outstanding of \$7,945,000, which was issued for capital facility construction/improvements during fiscal year 2016. The capital loan notes will be paid with property taxes collected in the Capital Projects Fund: Physical Plant, and Equipment Levy Account. Details of the District's June 30, 2018 capital loan noted indebtedness is as follows:

Year Ending June 30	Capital Loan Note January 7, 2016			
	Interest Rate	Principal	Interest	Total
2019	1.95%	\$ 1,060,000	\$ 154,927	\$ 1,214,927
2020	1.95	1,085,000	134,258	1,219,258
2021	1.95	1,110,000	113,100	1,223,100
2022	1.95	1,135,000	91,455	1,226,455
2023	1.95	1,160,000	69,273	1,229,273
2024	1.95	1,185,000	46,703	1,231,703
2025	1.95	1,210,000	23,595	1,233,595
Total		\$ 7,945,000	\$ 633,311	\$ 8,578,311

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2018

Note 6. Long-Term Liabilities (Continued)

Legal debt margin: The June 30, 2018 debt outstanding by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	\$ 3,290,401,068
Debt limit, 5% of total assessed valuation	164,520,053
Amount of debt applicable to debt limit, total bonded debt	82,435,000
Excess of debt limit over bonded debt	\$ 82,085,053

On May 21, 2018, the Board of Education approved a resolution to call for a special election on the issuance of \$55,000,000 general obligation school bonds for the purpose of designing and constructing two 5th and 6th grade intermediate buildings. On September 21, 2018, the bond issuance passed.

Termination benefits:

The District did not offer an early retirement incentive to employees in fiscal year 2018. However, the District offered a voluntary early retirement plan to its certified employees and administrators during the year ended June 30, 2017. Eligible employees had to be at least age fifty-five and employees must have completed ten years of service to the District. Employees completed an application which was required to be approved by the Board of Education.

The early retirement incentive for each eligible employee was equal to the employee's base salary calculated by using the fiscal year 2017 regular salary schedule, less any other additional pay, multiplied by 50 percent plus all unused personal days compensated for at the rate of substitute pay (\$116/day) used during the last year of service. Employees could also elect to continue participation in the District's group health insurance plan until age 65 or until insurance is acquired elsewhere. Their participation was at the employee's expense. At June 30, 2018 the District had obligations to fourteen participants with a total liability of \$243,379 payable from the nonmajor special revenue fund, Management Levy Fund. The District paid \$243,378 in early retirement benefits to retirees during fiscal year 2018.

Note 7. Pension Plan

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 a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 7. Pension Plan (Continued)

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 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before 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 – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2018, pursuant to the required rate, Regular members contributed 5.95 percent of covered payroll and the District contributed 8.93 percent of covered payroll for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2018 were \$5,030,968.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 7. Pension Plan (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the District reported a liability of \$48,682,515 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the District’s proportion was .730830 percent, which was an increase of .001928 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$7,286,298. At June 30, 2018, 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	\$ 446,952	\$ 421,797
Changes of assumptions	8,458,776	-
Net difference between projected and actual earnings on pension plan investments	-	508,471
Changes in proportion and differences between District contributions and proportionate share of contributions	1,652,308	39,678
District contributions subsequent to the measurement date	5,030,968	-
Total	\$ 15,589,004	\$ 969,946

\$5,030,968 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 ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2019	\$ 1,765,117
2020	4,355,697
2021	2,546,282
2022	339,370
2023	581,624
Thereafter	-
Total	\$ 9,588,090

There were no non-employer contributing entities to IPERS.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 7. Pension Plan (Continued)

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Salary Increases (effective June 30, 2017)	3.25 percent to 16.25 percent average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 2017)	7.00 percent per annum, compounded annually, net of pension plan, investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience study dated March 24, 2017.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	27.0%	2.25%
Domestic Equity	24.0	6.25
International Equity	16.0	6.71
Private Equity/Debt	11.0	11.15
Private Real Assets	7.5	4.18
Public Real Assets	7.0	3.27
Public Credit	3.5	3.46
Private Credit	3.0	4.25
Cash	1.0	-0.31
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 7. Pension Plan (Continued)

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 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) 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	\$ 80,209,254	\$ 48,682,515	\$ 22,193,997

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, 2018, the District reported payables to IPERS of \$629,348 for legally required employer contributions and \$419,343 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 8. Other Postemployment Benefits (OPEB)

Plan description: The District's defined benefit OPEB plan, Linn-Mar Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. This plan provides medical and prescription drug benefits for eligible employees and retirees and their spouses.

Benefits provided: The medical/prescription drug coverage is provided through a self-insured 28E organization plan with Metro Interagency Insurance Program. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

The full monthly premium rates as of January 1, 2017 for each plan are as shown below:

	PPO Premier	PPO Choice	HMO Essential	HMO Basic
Single	\$ 568	\$ 516	\$ 421	\$ 315
Family	1,736	1,579	1,288	963

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 8. Other Postemployment Benefits (OPEB) (Continued)

Employees covered by benefit terms: At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	32
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	926
Total	958

Total OPEB Liability

The District's total OPEB liability of \$2,732,000 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50% per annum
Salary increases	3.50% per annum
Discount rate	3.87% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	7.00%
	The trend rate is reduced by 0.50% each year until reaching the ultimate trend rate of 4.50%

The discount rate was based on the Bond Buyer 20-Bond GO index.

Mortality rates were based on the RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period 2010– 2017.

Linn-Mar Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2018

Note 8. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2017	\$ 2,531,292	\$ -	\$ 2,531,292
Changes for the year:			
Service cost	268,383	-	268,383
Interest	106,386	-	106,386
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	(70,450)	-	(70,450)
Benefit payments	(103,611)	-	(103,611)
Net changes	200,708	-	200,708
Balance at June 30, 2018	<u>\$ 2,732,000</u>	<u>\$ -</u>	<u>\$ 2,732,000</u>

There were no changes as a result of changes in benefit terms or differences between expected and actual experience. Changes of assumptions or other inputs reflect a change in the discount rate from 2.50% per annum in 2017 to 3.87% per annum in 2018.

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 total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 3,191,000	\$ 2,732,000	\$ 2,365,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents that 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 or 1-percentage point higher than the current healthcare cost trend rates.

	Healthcare Cost Trend Rates		
	1% Decrease (6.00% decreasing to 3.5%)	1% Increase (8.00% decreasing to 5.5%)	
Total OPEB liability	\$ 2,354,000	\$ 2,732,000	\$ 3,197,000

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 8. Other Postemployment Benefits (OPEB) (Continued)

For the year ended June 30, 2018, the District recognized OPEB expense of \$368,522. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	(64,255)
Net difference between projected and actual investments	-	-
Total	\$ -	\$ (64,255)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ (6,195)
2020	(6,195)
2021	(6,195)
2022	(6,195)
2023	(6,195)
Thereafter	(33,280)
Total	\$ (64,255)

Note 9. Risk Management

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 claim and 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 the member withdraws from MIIP, the withdrawn members continues to be responsible for its share of cost arising from events occurring when 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.

The Districts contribute to the self-insurance plan an amount equal to 125% of Wellmark Blue Cross/Blue Shield projections of the rating period. The fund reinsures for stop-loss insurance for claims in excess of \$200,000 per year per individual. An insurance carrier is paid an administrative fee to process the claims.

At June 30, 2018, the District is an active member of MIIP and has a positive equity balance of \$7,214,409. The total premium paid into the plan by all six members from July 1, 2017 to June 30, 2018 was approximately \$39,800,000 of which \$6,697,670 was paid by Linn-Mar Community School District.

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.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 9. Risk Management (Continued)

In addition, 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. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10. 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 the area education agency. The District's actual amount for this purpose totaled \$3,239,555 for the year ended June 30, 2018 and is recorded in the General Fund.

Note 11. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2018 is comprised of the following programs:

Program	Amount
Gifted and talented	\$ 113,509
Teacher leadership	125,924
Teacher salary supplement	267,213
Successful progression for early readers	119,558
Professional development	521,242
Market factor incentives	5,596
Total	\$ 1,153,042

Note 12. Construction Commitments

The District has entered into contracts totaling \$889,412 for various construction projects throughout the District. As of June 30, 2018, costs of \$457,167 had been incurred against these contracts. The remaining balance of \$432,245 at June 30, 2018 will be paid as work on the projects progresses.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 13. Due from Other Governments

Amount due from other governments by fund as of June 30, 2018 are as follows:

	General Fund	Capital Projects Fund	Total
Local appropriations:			
Tuition	\$ 2,478,790	\$ -	\$ 2,478,790
Other	85,425	-	85,425
Total local appropriations	<u>2,564,215</u>	<u>-</u>	<u>2,564,215</u>
State appropriations			
Statewide Sales, Services and Use Tax	-	927,853	927,853
Nonpublic Transportation	107,938	-	107,938
District Court	90,101	-	90,101
Foster Care SPED	7,939	-	7,939
Total state appropriations	<u>205,978</u>	<u>927,853</u>	<u>1,133,831</u>
Federal appropriations			
Title I	150,316	-	150,316
Medicaid	51,472	-	51,472
Career and Technical Education- Basic Grants to States	47,565	-	47,565
Special Education- State Personnel Development Grant	10,311	-	10,311
Total federal appropriations	<u>259,664</u>	<u>-</u>	<u>259,664</u>
Total	<u>\$ 3,029,857</u>	<u>\$ 927,853</u>	<u>\$ 3,957,710</u>

Note 14. Lease Agreements

On June 9, 2014 the District entered into an agreement with De Lange Public Finance LLC to lease forty-three copy machines for sixty months. During the year ended June 30, 2018 the District paid \$48,888 in principal and \$5,412 in interest on this lease agreement from the Capital Projects Fund: Physical Plant and Equipment Levy Account. At June 30, 2018, twelve monthly payments of \$4,525 totaling \$54,300 remain.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 15. Tax Abatements

Governmental Accounting Standards Board 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 entitled and (b) the individual or entity promises to take a specific action after the agreement 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, 2018 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Marion	Urban renewal and economic development projects	\$ 702,523

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, 2018, this reimbursement amounted to \$307,401.

Note 16. Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2018:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions: This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, Irrevocable Split-Interest Agreements: The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73: This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 16. Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 85, *Omnibus 2017*: The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*: The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The implementation of the above statements did not have a material impact to the District's financial statements except for GASB Statement No. 75 which required the District to change the accounting and reporting of OPEB benefit expense, total OPEB liability, and the related deferred inflows of resources and deferred outflows of resources. As a result, the District's financial statements required a restatement as stated in Note 17. In addition, the new standards required new note disclosures and new required supplementary information schedules.

As of June 30, 2018, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the District beginning with its fiscal year ending June 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs.

GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the District beginning with its fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the identification criteria established by the Statement 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 as a fiduciary fund in the basic financial statements. 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.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2018

Note 16. Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, issued April 2018, will be effective for the District beginning with its fiscal year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the District beginning with its fiscal year ending June 30, 2021. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

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

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2018**

Note 17. Restatement

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented as of the beginning of the year ended June 30, 2018. The revised requirements establish new financial reporting requirements for state and local government employers that provide postemployment benefits other than pensions, including additional note disclosures and required supplementary information. Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Beginning net position for governmental, business-type activities and proprietary funds were restated to retroactively report the beginning net OPEB liability and, if applicable, deferred outflows of resources related to contributions made after the measurement date of the beginning total OPEB liability but before the beginning of the District's fiscal year.

	Governmental Activities	Business-type Activities	Nonmajor Enterprise Funds	
			School Nutrition	Aquatic Center
Net position June 30, 2017, as previously reported	\$ 52,310,315	\$ 1,163,548	\$ 1,013,331	\$ 148,469
Net OPEB obligation	1,477,794	39,448	39,448	-
Total OPEB liability	(2,463,675)	(67,325)	(62,516)	(4,809)
Net position June 30, 2017, as restated	<u>\$ 51,324,434</u>	<u>\$ 1,135,671</u>	<u>\$ 990,263</u>	<u>\$ 143,660</u>

REQUIRED SUPPLEMENTARY INFORMATION



Linn-Mar Community School District

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental Funds and Enterprise Fund
Required Supplementary Information
Year Ended June 30, 2018**

	Governmental Funds - Actual	Enterprise Fund - Actual	Total Actual
Revenues:			
Local sources	\$ 42,971,751	\$ 2,654,452	\$ 45,626,203
State sources	54,464,516	25,650	54,490,166
Federal sources	2,788,965	1,245,667	4,034,632
Total revenues	100,225,232	3,925,769	104,151,001
Expenditures/expenses:			
Instruction	57,269,830	-	57,269,830
Support services	27,271,688	-	27,271,688
Non-instructional programs	98,406	3,954,046	4,052,452
Other expenditures	16,616,458	-	16,616,458
Total expenditures	101,256,382	3,954,046	105,210,428
Excess (deficiency) of revenues over (under) expenditures	(1,031,150)	(28,277)	(1,059,427)
Total other financing sources, net	40,738	-	40,738
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(990,412)	(28,277)	(1,018,689)
Balance, beginning of year, as restated	25,464,131	1,135,671	26,599,802
Balance, end of year	\$ 24,473,719	\$ 1,107,394	\$ 25,581,113

See Notes to Required Supplementary Information.

Budgeted Amounts		Final to Actual
Original	Final	Variance
\$ 44,837,972	\$ 44,837,972	\$ 788,231
55,216,883	\$ 55,216,883	(726,717)
3,350,000	3,350,000	684,632
103,404,855	103,404,855	746,146
57,300,000	57,300,000	30,170
27,606,000	27,606,000	334,312
4,176,000	4,176,000	123,548
20,131,272	20,131,272	3,514,814
109,213,272	109,213,272	4,002,844
(5,808,417)	(5,808,417)	4,748,990
25,000	25,000	15,738
\$ (5,783,417)	\$ (5,783,417)	\$ 4,764,728

Linn-Mar Community School District

**Required Supplementary Information
Schedule of Changes in the District's Total OPEB
Liability and Related Ratios
Year ending June 30, 2018**

	<u>2018</u>
Total OPEB liability	
Changes for the year:	
Service cost	\$ 268,383
Interest	106,386
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(70,450)
Benefit payments	(103,611)
Net changes in total OPEB liability	<u>200,708</u>
Total OPEB liability - beginning	<u>2,531,292</u>
Total OPEB liability - ending	<u>\$ 2,732,000</u>
Covered employee payroll	\$ 44,995,142
Total OPEB liability as a percentage of covered employee payroll	6%

Notes to Schedule:

Changes of benefit terms:

There were no changes as a result of changes in benefit terms or differences between expected and actual experience.

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate from 3.58% per annum in 2017 to 3.87% per annum in 2018. The following are the discount rates used in each period:

2018	3.87%
2017	2.50%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75

Note: The schedule is intended to present information for ten years. Information prior to 2018 is not available.

See Notes to Required Supplementary Information.

Linn-Mar Community School District

**Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Iowa Public Employees' Retirement System
 Last Four Fiscal Years**

	2018*	2017*	2016*	2015*
District's proportion of the net pension liability	0.730830%	0.728902%	0.717733%	0.689442%
District's proportionate share of the net pension liability	\$ 48,682,515	\$ 45,872,128	\$ 35,459,499	\$ 27,342,634
District's covered-employee payroll	54,605,986	52,340,257	49,198,902	45,121,232
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	89.15%	87.64%	72.07%	60.61%
Plan fiduciary net pension as a percentage of the total pension liability	82.21%	81.82%	85.19%	87.61%

*The amounts presented for each fiscal year were determined as of June 30 of the preceding year.

Note: The schedule is intended to present information for ten years. Information prior to 2015 is not available.

See Notes to Required Supplementary Information.

Linn-Mar Community School District

**Required Supplementary Information
Schedule of District Contributions (In Thousands)
Iowa Public Employees' Retirement System
Last Ten Fiscal Years**

	2018	2017	2016	2015
Statutorily required contribution	\$ 5,030,968	\$ 4,876,316	\$ 4,673,985	\$ 4,393,462
Contributions in relation to the statutorily required contribution	(5,030,968)	(4,876,316)	(4,673,985)	(4,393,462)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 56,337,809	\$ 54,605,986	\$ 52,340,257	\$ 49,198,902
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.93%	8.93%

See Notes to Required Supplementary Information.

	2014	2013	2012	2011	2010	2009
\$	4,029,326	\$ 3,806,084	\$ 3,411,978	\$ 2,800,796	\$ 2,632,144	\$ 2,295,834
	(4,029,326)	(3,806,084)	(3,411,978)	(2,800,796)	(2,632,144)	(2,295,834)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	45,121,232	\$ 43,899,469	\$ 42,279,777	\$ 40,299,223	\$ 37,872,576	\$ 36,154,866
	8.93%	8.67%	8.07%	6.95%	6.95%	6.35%



Linn-Mar Community School District

Notes to Required Supplementary Information Year Ended June 30, 2018

Note 1. Budgets and Budgetary Information

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 Education annually adopts a budget following required public notice and hearing for all funds except internal service, 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 the accrual basis.

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

Note 2. Pension Liability

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

Changes of assumptions:

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 quadrennial experience study:

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

Linn-Mar Community School District

**Notes to Required Supplementary Information
Year Ended June 30, 2018**

Note 2. Pension Liability (Continued)

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

SUPPLEMENTARY INFORMATION



Linn-Mar Community School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue			
	Management Levy	Student Activity	Public Education and Recreation Levy	Total
Assets				
Cash and pooled investments	\$ 2,113,057	\$ 833,193	\$ 569,426	\$ 3,515,676
Receivables:				
Property tax:				
Delinquent	2,177	-	640	2,817
Succeeding year	1,050,006	-	280,772	1,330,778
Accounts	-	275	80	355
Total assets	\$ 3,165,240	\$ 833,468	\$ 850,918	\$ 4,849,626
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Accounts payable	\$ 4,550	\$ 18,188	\$ 24,227	\$ 46,965
Salaries and benefits payable	-	21,962	3,349	25,311
Interfund payables	-	8,515	-	8,515
Total liabilities	4,550	48,665	27,576	80,791
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	1,050,006	-	280,772	1,330,778
Fund balances restricted for:				
Management levy purposes	2,110,684	-	-	2,110,684
Student activities	-	784,803	-	784,803
Public education and recreation levy purposes	-	-	542,570	542,570
Total fund balances	2,110,684	784,803	542,570	3,438,057
Total liabilities, deferred inflows of resources and fund balances	\$ 3,165,240	\$ 833,468	\$ 850,918	\$ 4,849,626

Linn-Mar Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2018

	Special Revenue			Total
	Management Levy	Student Activity	Public Education and Recreation Levy	
Revenues:				
Local sources:				
Local tax	\$ 937,372	\$ -	\$ 266,535	\$ 1,203,907
Other	134,629	1,249,830	1,598	1,386,057
State sources	26,208	-	7,450	33,658
Total revenues	1,098,209	1,249,830	275,583	2,623,622
Expenditures:				
Current:				
Instruction:				
Regular	390,809	1,252,425	-	1,643,234
Support services:				
Student	8,122	-	-	8,122
Instructional staff	7,371	-	-	7,371
Administration services	17,892	-	-	17,892
Operation and maintenance of plant services	392,445	-	100,719	493,164
Transportation services	130,912	-	-	130,912
Non-instructional programs:				
Food service operations	61,516	-	-	61,516
Community service operations	-	-	36,890	36,890
Capital outlay	-	-	45,742	45,742
Total expenditures	1,009,067	1,252,425	183,351	2,444,843
Excess of revenues over (under) expenditures	89,142	(2,595)	92,232	178,779
Other financing (uses), transfers in	-	26,974	-	26,974
Net change in fund balances	89,142	24,379	92,232	205,753
Fund balances, beginning of year	2,021,542	760,424	450,338	3,232,304
Fund balances, end of year	\$ 2,110,684	\$ 784,803	\$ 542,570	\$ 3,438,057

Linn-Mar Community School District

Schedule of Combining Balance Sheet
 Capital Projects Fund - By Account
 June 30, 2018

	Capital Projects Fund Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 1,458,276	\$ 1,278,800	\$ 2,737,076
Restricted cash and investments	3,869,727	-	3,869,727
Receivables:			
Property tax:			
Delinquent	-	7,767	7,767
Succeeding year	-	3,647,706	3,647,706
Accrued interest	12,900	-	12,900
Due from other governments	927,853	-	927,853
Total assets	\$ 6,268,756	\$ 4,934,273	\$ 11,203,029
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities, accounts payable	\$ 58,507	\$ 160,998	\$ 219,505
Deferred inflows of resources, unavailable revenue:			
Statewide sales and services tax	350,776	-	350,776
Succeeding year property tax	-	3,647,706	3,647,706
Total deferred inflows of resources	350,776	3,647,706	3,998,482
Fund Balances:			
Restricted for:			
School infrastructure	5,859,473	-	5,859,473
Physical plant and equipment	-	1,125,569	1,125,569
Total fund balances	5,859,473	1,125,569	6,985,042
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,268,756	\$ 4,934,273	\$ 11,203,029

Linn-Mar Community School District

Schedule of Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Fund - By Account
 Year Ended June 30, 2018

	Capital Projects Fund Accounts		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	\$ 3,430,959	\$ 3,430,959
Other	63,321	133,599	196,920
State sources	6,808,180	92,160	6,900,340
Total revenues	6,871,501	3,656,718	10,528,219
Expenditures:			
Current:			
Instruction, regular	759,188	106,241	865,429
Support services:			
Instructional staff	598	-	598
Administration	1,563	95,495	97,058
Operation and maintenance of plant services	-	145,162	145,162
Student transportation	-	474,154	474,154
Capital outlay	1,839,404	1,365,948	3,205,352
Total expenditures	2,600,753	2,187,000	4,787,753
Excess of revenues over expenditures	4,270,748	1,469,718	5,740,466
Other financing sources (uses),			
Transfers out	(5,034,982)	(1,215,207)	(6,250,189)
Net change in fund balance	(764,234)	254,511	(509,723)
Fund balance, beginning of year	6,623,707	871,058	7,494,765
Fund balance, end of year	\$ 5,859,473	\$ 1,125,569	\$ 6,985,042

Linn-Mar Community School District

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2018

	School Nutrition	Aquatic Center	ROAR Store	Total
Assets				
Current:				
Cash and cash equivalents	\$ 1,313,019	\$ 208,283	\$ 5,831	\$ 1,527,133
Accounts receivable	110	-	-	110
Inventories	39,662	-	-	39,662
Total current assets	1,352,791	208,283	5,831	1,566,905
Noncurrent:				
Capital assets, net of accumulated depreciation	666,154	-	-	666,154
Total noncurrent assets	666,154	-	-	666,154
Total assets	2,018,945	208,283	5,831	2,233,059
Deferred Outflows of Resources,				
Pension related deferred outflows	422,132	27,442	-	449,574
Liabilities				
Current:				
Accounts payable	654	-	304	958
Salaries and benefits payable	9,915	45,313	-	55,228
Unearned revenue	90,642	-	-	90,642
Total current liabilities	101,211	45,313	304	146,828
Noncurrent:				
Net pension liability	1,276,789	33,962	-	1,310,751
Net OPEB liability	67,480	5,191	-	72,671
Total noncurrent liabilities	1,344,269	39,153	-	1,383,422
Total liabilities	1,445,480	84,466	304	1,530,250
Deferred Inflows of Resources:				
OPEB related deferred inflows	1,587	122	-	1,709
Pension related deferred inflows	42,643	637	-	43,280
Total deferred inflows	44,230	759	-	44,989
Net Position				
Net investment in capital assets	666,154	-	-	666,154
Unrestricted	285,213	150,500	5,527	441,240
Total net position	\$ 951,367	\$ 150,500	\$ 5,527	\$ 1,107,394

Linn-Mar Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2018

	School Nutrition	Aquatic Center	ROAR Store	Total
Operating revenues:				
Local sources, charges for services	\$ 2,301,977	\$ 295,531	\$ 43,078	\$ 2,640,586
Miscellaneous	5,270	-	-	5,270
Total operating revenues	2,307,247	295,531	43,078	2,645,856
Operating expenses:				
Non-instructional programs:				
Food service:				
Salaries	1,547,784	-	-	1,547,784
Benefits	321,673	-	-	321,673
Services	2,231	-	-	2,231
Supplies	1,621,208	-	-	1,621,208
Depreciation	131,834	-	-	131,834
Other	1,326	-	-	1,326
Total food service	3,626,056	-	-	3,626,056
Other enterprise	-	-	39,299	39,299
Community service:				
Salaries	-	197,121	-	197,121
Benefits	-	31,486	-	31,486
Services	-	6,375	-	6,375
Supplies	-	53,709	-	53,709
Total community service	-	288,691	-	288,691
Total operating expenses	3,626,056	288,691	39,299	3,954,046
Operating income (loss)	(1,318,809)	6,840	3,779	(1,308,190)
Nonoperating revenues:				
State sources	25,650	-	-	25,650
Federal sources	1,245,667	-	-	1,245,667
Interest on investments	8,596	-	-	8,596
Total nonoperating revenues	1,279,913	-	-	1,279,913
Change in net position	(38,896)	6,840	3,779	(28,277)
Net position, beginning of year, as restated	990,263	143,660	1,748	1,135,671
Net position, end of year	\$ 951,367	\$ 150,500	\$ 5,527	\$ 1,107,394



Linn-Mar Community School District

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 Year Ended June 30, 2018

	School Nutrition	Aquatic Center	ROAR Store	Total
Cash flows from operating activities:				
Cash received from food service sales	\$ 2,310,528	\$ -	\$ -	\$ 2,310,528
Cash received from aquatic center operations	-	295,532	-	295,532
Cash received from ROAR store operations	-	-	43,078	43,078
Cash received from miscellaneous operating activities	5,270	-	-	5,270
Cash payments to employees for services	(1,799,509)	(210,257)	-	(2,009,766)
Cash payments to suppliers for goods or services	(1,419,583)	(60,084)	(38,995)	(1,518,662)
Net cash provided by (used in) operating activities	(903,294)	25,191	4,083	(874,020)
Cash flows from noncapital financing activities:				
State grants received	25,650	-	-	25,650
Federal grants received	1,034,729	-	-	1,034,729
Net cash provided by noncapital financing activities	1,060,379	-	-	1,060,379
Cash flows from capital financing activities, acquisition of capital assets	(55,815)	-	-	(55,815)
Cash flows from investing activities, interest on investments	8,596	-	-	8,596
Net increase in cash and cash equivalents	109,866	25,191	4,083	139,140
Cash and cash equivalents, beginning of year	1,203,153	183,092	1,748	1,387,993
Cash and cash equivalents, end of year	\$ 1,313,019	\$ 208,283	\$ 5,831	\$ 1,527,133

(Continued)

Linn-Mar Community School District

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2018

Reconciliation of operating income

(loss) to net cash provided

by (used in) operating activities:

Operating income (loss)	\$ (1,318,809)	\$ 6,840	\$ 3,779	\$ (1,308,190)
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Adjustments to reconcile operating
income (loss) to net cash provided

by (used in) operating activities:

Commodities consumed	210,938	-	-	210,938
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Depreciation	131,834	-	-	131,834
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(Increase) in inventories	(6,405)	-	-	(6,405)
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(Increase) in accounts receivable	(27)	-	-	(27)
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Increase in accounts payable	649	-	304	953
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Increase in salaries and benefits payable	1,112	13,074	-	14,186
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Increase in other postemployment benefits	4,964	382	-	5,346
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Increase in net pension liability	77,005	5,340	-	82,345
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(Increase) in deferred outflows of resources	(41,257)	(328)	-	(41,585)
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Increase (decrease) in deferred inflows of resources	28,124	(117)	-	28,007
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Increase in unearned revenue	8,578	-	-	8,578
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Net cash provided by

(used in) operating activities	\$ (903,294)	\$ 25,191	\$ 4,083	\$ (874,020)
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Noncash: Noncapital financing activities:

During the year ended June 30, 2018, the District used \$210,938 of federal commodities.



Statistical Section

(Unaudited)

This part of the Linn-Mar Community School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
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.	70-85
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	86-92
Debt Capacity These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt.	93-98
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 and to help make comparisons over time and with other governments.	99-104
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	105-111

Linn-Mar Community School District

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	2009	2010	2011	2012
Governmental activities:				
Net investment in capital assets	\$ 22,311,057	\$ 12,919,519	\$ 26,461,367	\$ 33,860,908
Restricted	3,365,122	25,300,975	16,905,099	15,744,577
Unrestricted	2,456,499	4,314,105	7,511,620	8,318,403
Total governmental activities net position	\$ 28,132,678	\$ 42,534,599	\$ 50,878,086	\$ 57,923,888
Business-type activities				
Net investment in capital assets	\$ 486,498	\$ 573,824	\$ 713,408	\$ 725,388
Unrestricted	(30,500)	231,642	439,480	721,026
Total business-type activities net position	\$ 455,998	\$ 805,466	\$ 1,152,888	\$ 1,446,414

Source: School District Financial Records

2013	2014	2015	2016	2017	2018
\$ 28,177,257	\$ 41,210,373	\$ 48,003,951	\$ 48,606,036	\$ 62,549,123	\$ 70,504,714
29,254,906	21,066,774	21,066,774	22,710,019	14,982,592	12,005,864
7,658,223	7,271,405	(23,819,849)	(22,456,176)	(25,221,400)	(28,085,387)
\$ 65,090,386	\$ 69,548,552	\$ 45,250,876	\$ 48,859,879	\$ 52,310,315	\$ 54,425,191
\$ 707,568	\$ 609,640	\$ 603,369	\$ 541,797	\$ 742,173	\$ 666,154
934,357	1,164,312	562,343	715,536	421,375	441,240
\$ 1,641,925	\$ 1,773,952	\$ 1,165,712	\$ 1,257,333	\$ 1,163,548	\$ 1,107,394

Linn-Mar Community School District

Expenses, Program Revenues and Net (Expense) Revenue

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2009	2010	2011	2012
Expenses:				
Governmental activities:				
Instruction	\$ 40,626,744	\$ 41,419,726	\$ 41,589,076	\$ 42,879,705
Support services:				
Student	2,175,607	2,236,875	3,095,443	3,226,515
Instructional staff	2,294,187	2,386,183	2,449,712	3,054,671
Administration	4,674,249	5,444,176	5,671,887	6,041,272
Operation and maintenance of plant	5,191,799	5,496,221	5,128,200	6,369,265
Transportation	2,159,488	2,363,942	2,331,937	2,444,605
Non-instructional programs	106,490	97,096	112,581	187,193
Capital outlay	1,223,442	1,317,844	1,120,778	-
Long-term debt interest and fiscal charges	2,464,043	3,837,554	3,621,298	3,216,868
Other expenses:				
AEA flowthrough	2,285,973	2,582,490	2,703,997	2,543,681
Depreciation (unallocated)	2,184,773	2,228,121	2,819,601	3,388,470
Total governmental activities	65,386,795	69,410,228	70,644,510	73,352,245
Business-type activities:				
School nutrition	2,722,516	2,714,977	2,746,151	2,738,897
Aquatic center	-	-	-	-
ROAR store	-	-	-	-
Total business-type activities	2,722,516	2,714,977	2,746,151	2,738,897
Total primary government expenses	68,109,311	72,125,205	73,390,661	76,091,142
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	3,631,198	4,191,449	4,301,403	4,218,399
Support services	642,461	1,210,650	1,424,420	13,688
Capital outlay	515,733	24,664	64,537	-
Operating grants and contributions	7,239,896	8,149,292	9,100,509	5,119,276
Capital grants and contributions	24,030	37,419	-	47,975
Total governmental activities	12,053,318	13,613,474	14,890,869	9,399,338
Business-type activities:				
Charges for services:				
School nutrition	1,991,245	1,997,621	2,003,376	2,024,234
Aquatic center	-	-	-	-
ROAR store	-	-	-	-
Operating grants and contributions	740,393	809,883	860,457	912,443
Capital grants and contributions	236,818	2,572	228,761	94,085
Total business-type activities	2,968,456	2,810,076	3,092,594	3,030,762
Total primary government revenues	15,021,774	16,423,550	17,983,463	12,430,100
Net (expense) revenues:				
Governmental activities	(53,333,477)	(55,796,754)	(55,753,641)	(63,952,907)
Business-type activities	245,940	95,099	346,443	291,865
Total primary government revenues	\$ (53,087,537)	\$ (55,701,655)	\$ (55,407,198)	\$ (63,661,042)

Source: School District Financial Records

	2013	2014	2015	2016	2017	2018
\$	45,065,586	\$ 48,037,307	\$ 48,140,423	\$ 51,168,392	\$ 56,707,418	\$ 58,931,656
	3,456,656	3,542,985	3,663,955	3,677,997	4,355,525	4,484,173
	2,888,367	3,105,544	5,455,726	6,368,459	5,775,910	6,346,603
	6,369,253	5,655,085	5,673,933	6,874,302	6,582,752	7,468,634
	5,152,985	6,407,078	6,564,417	6,402,268	6,663,099	7,109,445
	2,000,716	2,615,258	2,754,810	2,749,936	2,813,289	3,093,011
	110,098	121,088	130,525	128,979	123,241	98,548
	-	-	-	-	-	-
	3,212,643	3,131,174	2,802,823	3,031,161	3,153,088	2,513,240
	2,620,028	2,777,361	2,923,429	3,055,116	3,107,129	3,239,555
	2,171,171	3,807,359	4,010,529	4,133,605	4,204,016	4,570,877
	73,047,503	79,200,239	82,120,570	87,590,215	93,485,467	97,855,742
	2,900,675	3,084,733	3,113,499	3,357,540	3,664,633	3,626,056
	-	46,519	161,128	239,212	258,173	288,691
	-	-	7,353	12,426	31,857	39,299
	2,900,675	3,131,252	3,281,980	3,609,178	3,954,663	3,954,046
	75,948,178	82,331,491	85,402,550	91,199,393	97,440,130	101,809,788
	4,514,187	4,735,812	5,516,329	6,407,571	6,745,753	7,818,599
	12,607	18,181	93,335	12,868	24,166	27,459
	-	-	-	-	-	-
	9,439,571	10,866,887	5,991,216	6,047,560	6,581,814	14,462,348
	49,058	-	10,000	18,989	25,500	36,900
	14,015,423	15,620,880	11,610,880	12,486,988	13,377,233	22,345,306
	2,029,545	2,030,952	2,165,481	2,185,826	2,244,925	2,301,977
	-	53,211	239,569	273,967	293,629	295,531
	-	-	9,555	12,335	31,494	43,078
	1,007,836	1,177,210	1,170,943	1,226,303	1,287,140	1,271,317
	-	-	-	-	-	-
	3,037,381	3,261,373	3,585,548	3,698,431	3,857,188	3,911,903
	17,052,804	18,882,253	15,196,428	16,185,419	17,234,421	26,257,209
	(59,032,080)	(63,579,359)	(70,509,690)	(75,103,227)	(80,108,234)	(75,510,436)
	136,706	130,121	303,568	89,253	(97,475)	(42,143)
\$	(58,895,374)	\$ (63,449,238)	\$ (70,206,122)	\$ (75,013,974)	\$ (80,205,709)	\$ (75,552,579)

Linn-Mar Community School District

General Revenues and Total Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2009	2010	2011	2012
Net (expense) revenues:				
Governmental activities	\$ (53,333,477)	\$ (55,796,754)	\$ (55,753,641)	\$ (63,952,907)
Business-type activities	245,940	95,099	346,443	291,865
Total primary government net expense	(53,087,537)	(55,701,655)	(55,407,198)	(63,661,042)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes levied for:				
General purposes	21,831,162	22,702,893	24,868,320	23,341,607
Capital outlay	2,475,886	2,979,169	1,781,832	2,976,713
Debt service	3,888,560	3,899,645	3,684,005	3,807,344
Revenues in lieu of taxes	-	-	-	-
Sales tax	5,592,757	6,709,286	6,121,089	6,441,915
Unrestricted grants and contributions	25,677,917	23,992,475	26,871,830	32,295,010
Nonspecific program federal revenues	-	-	-	939,496
Investment earnings	277,510	214,798	124,865	124,796
Miscellaneous	486,687	306,483	645,187	1,071,828
Total governmental activities	60,230,479	60,804,749	64,097,128	70,998,709
Business-type activities:				
Investment earnings	1,866	846	979	1,529
Miscellaneous	5,717	-	-	132
Total business-type activities	7,583	846	979	1,661
Total primary government	60,238,062	60,805,595	64,098,107	71,000,370
Change in net position:				
Governmental activities	6,897,002	5,007,995	8,343,487	7,045,802
Business-type activities	253,523	95,945	347,422	293,526
Total primary government	\$ 7,150,525	\$ 5,103,940	\$ 8,690,909	\$ 7,339,328

Source: School District Financial Records

	2013	2014	2015	2016	2017	2018
\$	(59,032,080)	\$ (63,579,359)	\$ (70,509,690)	\$ (75,103,227)	\$ (80,108,234)	\$ (75,510,436)
	136,706	130,121	303,568	89,253	(97,475)	(42,143)
	(58,895,374)	(63,449,238)	(70,206,122)	(75,013,974)	(80,205,709)	(75,552,579)
	23,421,086	23,907,617	23,949,253	25,236,614	25,921,202	27,750,578
	3,133,993	3,285,473	3,105,578	3,188,525	3,272,294	3,430,959
	3,766,765	3,744,536	4,033,671	3,800,343	3,841,998	3,519,010
	-	-	-	-	-	948,662
	5,600,634	5,979,539	6,587,426	6,811,318	6,889,195	7,158,956
	28,870,083	29,979,713	39,054,690	41,329,762	42,547,658	35,235,868
	187,358	-	-	-	-	-
	134,959	92,990	79,221	104,072	121,291	186,668
	1,083,700	1,047,657	590,682	532,864	965,032	380,492
	66,198,578	68,037,525	77,400,521	81,003,498	83,558,670	78,611,193
	1,839	1,892	2,180	2,368	3,560	8,596
	56,966	14	414	-	130	5,270
	58,805	1,906	2,594	2,368	3,690	13,866
	66,257,383	68,039,431	77,403,115	81,005,866	83,562,360	78,625,059
	7,166,498	4,458,166	6,890,831	5,900,271	3,450,436	3,100,757
	195,511	132,027	306,162	91,621	(93,785)	(28,277)
\$	7,362,009	\$ 4,590,193	\$ 7,196,993	\$ 5,991,892	\$ 3,356,651	\$ 3,072,480

Linn-Mar Community School District

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	2009	2010	2011	2012
General Fund:				
Nonspendable	\$ -	\$ -	\$ 37,400	\$ -
Restricted	462,658	943,448	1,487,025	1,536,821
Committed	-	-	285,459	-
Assigned	-	-	110,941	-
Unassigned*	4,663,394	5,172,927	7,889,075	10,234,148
Total General Fund	5,126,052	6,116,375	9,809,900	11,770,969
All other governmental funds:				
Restricted for:				
Capital projects funds	7,026,156	15,430,146	6,251,625	3,749,121
Debt service fund	-	-	-	-
Special revenue funds	5,332,590	10,490,979	10,537,482	10,561,734
Total other governmental funds	12,358,746	25,921,125	16,789,107	14,310,855
Total governmental funds	\$ 17,484,798	\$ 32,037,500	\$ 26,599,007	\$ 26,081,824

Source: School District Financial Records

Notes: * Designated General Fund balances in years prior to 2011 has been reclassified as assigned due to the implementation of Governmental Accounting Standards Board Statement 54, based on documentation showing the purpose of the designations.

	2013	2014	2015	2016	2017	2018
\$	-	\$ -	\$ -	\$ -	\$ -	-
	1,706,507	1,739,691	1,793,043	1,363,797	1,513,994	1,153,042
	-	-	-	-	-	-
	443,261	484,639	521,726	445,301	476,285	446,136
	9,512,398	8,797,941	8,091,108	8,317,146	8,407,084	8,372,478
	11,662,166	11,022,271	10,405,877	10,126,244	10,397,363	9,971,656
	21,454,673	7,954,093	11,960,248	15,467,494	7,494,765	6,985,042
	-	-	-	-	4,339,699	4,078,964
	6,093,726	11,372,990	6,363,405	7,126,623	3,232,304	3,438,057
	27,548,399	19,327,083	18,323,653	22,594,117	15,066,768	14,502,063
\$	39,210,565	\$ 30,349,354	\$ 28,729,530	\$ 32,720,361	\$ 25,464,131	\$ 24,473,719

Linn-Mar Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2009	2010	2011	2012
Local sources:				
Property taxes	\$ 28,185,239	\$ 29,571,174	\$ 30,323,051	\$ 30,125,664
Tuition	1,968,604	2,176,974	2,510,058	2,824,909
Other revenues	3,057,302	2,701,306	2,805,732	2,647,870
Total local sources	33,211,145	34,449,454	35,638,841	35,598,443
Intermediate sources	-	-	-	-
State sources:				
Statewide sales and services tax	5,592,757	6,709,286	6,121,089	6,441,915
State grants	31,357,360	27,767,019	33,473,648	35,327,946
Total state sources	36,950,117	34,476,305	39,594,737	41,769,861
Federal sources	2,108,874	5,484,986	3,752,150	3,029,743
Total revenues	\$ 72,270,136	\$ 74,410,745	\$ 78,985,728	\$ 80,398,047

Source: School District Financial Records

	2013	2014	2015	2016	2017	2018
\$	30,321,844	\$ 30,937,626	\$ 31,088,502	\$ 32,225,482	\$ 33,035,494	\$ 34,700,547
	2,989,998	3,350,347.00	3,604,028	4,266,217	4,869,613	5,259,122
	2,855,684	2,607,885	2,773,333	2,844,683	3,057,301	3,012,082
	36,167,526	36,895,858	37,465,863	39,336,382	40,962,408	42,971,751
	-	-	-	-	8,000	-
	5,600,634	5,979,539	6,587,426	6,811,318	6,889,195	6,808,180
	36,219,406	44,565,250	42,737,570	45,294,013	46,582,216	47,656,336
	41,820,040	50,544,789	49,324,996	52,105,331	53,471,411	54,464,516
	2,277,606	2,197,297	2,220,542	2,048,773	2,494,084	2,788,965
\$	80,265,172	\$ 89,637,944	\$ 89,011,401	\$ 93,490,486	\$ 96,935,903	\$ 100,225,232

Linn-Mar Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2009	2010	2011	2012
Instruction	\$ 40,272,400	\$ 41,092,354	\$ 41,480,379	\$ 42,714,244
Support services:				
Student services	2,175,608	2,236,875	3,095,442	3,226,515
Instructional staff support services	2,356,883	2,369,786	2,514,172	3,038,724
Administrative services	4,766,021	5,432,534	5,821,026	6,086,374
Plant operation and maintenance	5,144,794	5,165,727	5,179,501	5,088,137
Transportation services	2,373,708	2,477,945	2,095,187	2,506,679
Non-instructional programs	106,490	97,096	112,581	187,193
Capital outlay	7,635,006	25,726,426	11,932,534	5,946,332
AEA flowthrough	2,285,973	2,582,490	2,703,997	2,543,681
Debt service:				
Principal	2,683,424	10,729,432	17,676,750	6,327,396
Interest and fiscal charges	2,304,355	3,409,086	3,569,922	3,266,476
Total expenditures	\$ 72,104,662	\$ 101,319,751	\$ 96,181,491	\$ 80,931,751
Debt service as a percentage of noncapital expenditures	20.59%	7.69%	25.24%	12.59%

Source: School District Financial Records

	2013	2014	2015	2016	2017	2018
\$	45,215,491	\$ 48,230,224	\$ 49,047,463	\$ 52,864,635	\$ 54,341,263	\$ 57,269,830
	3,469,352	3,564,347	3,673,553	3,704,754	4,322,032	4,301,729
	2,971,449	3,072,281	5,112,761	5,382,209	5,622,911	6,151,635
	6,221,704	6,333,244	6,608,157	6,932,883	6,999,671	7,104,822
	5,625,511	6,263,679	6,464,301	6,567,506	6,499,306	6,692,844
	2,550,324	2,691,915	2,763,461	2,782,122	2,829,377	3,020,658
	167,064	121,088	130,525	128,979	123,241	98,406
	8,560,965	8,992,938	8,626,662	19,381,436	9,448,106	3,251,094
	2,620,028	2,777,361	2,923,429	3,055,116	3,107,129	3,239,555
	6,381,134	30,663,356	6,405,675	5,780,000	23,870,000	7,165,000
	3,145,633	3,328,577	2,743,913	2,933,691	3,098,806	2,960,809
\$	86,928,655	\$ 116,039,010	\$ 94,499,900	\$ 109,513,331	\$ 120,261,842	\$ 101,256,382
	12.16%	31.75%	10.65%	24.49%	24.34%	10.33%

Linn-Mar 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)

(Unaudited)

	2009	2010	2011	2012
Excess (deficiency) of revenues over (under) expenditures	\$ 165,474	\$ (26,909,006)	\$ (17,195,763)	\$ (533,704)
Other financing sources (uses):				
Capital lease proceeds	-	314,228	-	-
Transfer in	2,573,335	4,753,458	5,462,810	6,009,968
Transfer out	(2,573,335)	(4,753,458)	(5,462,810)	(6,009,968)
Sale of equipment	1,119	7,481	1,769	16,521
Compensation for loss on capital assets	-	-	-	-
Sale of real preoperty	19,300	-	500	-
Capital loan note issuance	-	-	-	-
Revenue bond issuance	9,632,670	34,400,000	-	-
General obligation refunding bonds issued	-	6,740,000	-	-
General obligation bonds issued	-	-	11,755,000	-
Net premiums/discounts on bond issuances	-	-	-	-
Total other financing sources (uses)	9,653,089	41,461,709	11,757,269	16,521
Net change in fund balances	\$ 9,818,563	\$ 14,552,703	\$ (5,438,494)	\$ (517,183)

Source: School District Financial Records

2013	2014	2015	2016	2017	2018
\$ (6,663,483)	\$ (32,380,605)	\$ (5,488,499)	\$ (16,022,845)	\$ (23,325,939)	\$ (1,031,150)
-	-	-	-	-	-
16,193,578	16,099,513	8,246,454	6,001,233	7,173,507	6,277,163
(16,193,578)	(16,099,513)	(8,246,454)	(6,001,233)	(7,173,507)	(6,277,163)
5,795	53,819	-	13,676	49,624	40,738
-	-	-	-	71,872	-
-	-	203,675	-	-	-
-	-	-	10,000,000	-	-
20,000,000	22,800,000	3,665,000	10,000,000	-	-
-	-	-	-	14,125,000	-
-	-	-	-	-	-
(213,571)	665,575	-	-	1,823,213	-
19,792,224	23,519,394	3,868,675	20,013,676	16,069,709	40,738
\$ 13,128,741	\$ (8,861,211)	\$ (1,619,824)	\$ 3,990,831	\$ (7,256,230)	\$ (990,412)

Linn-Mar Community School District

**General Fund Expenditures By Function and Other Financing Uses
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

Fiscal Year Ended June 30,	Instruction	Support Services	Non- Instructional Programs	Other Expenditures	Total Expenditures	Other Financing Uses
2018	\$ 54,761,167	\$ 25,888,505	\$ -	\$ 3,239,555	\$ 83,889,227	\$ (26,974)
2017	51,922,604	24,630,371	-	3,107,129	79,660,104	(12,281)
2016	49,997,441	23,747,703	-	3,055,116	76,800,260	-
2015	46,964,048	23,133,985	-	2,923,429	73,021,462	-
2014	45,416,152	20,307,702	-	2,777,361	68,501,215	-
2013	43,073,258	19,597,510	-	2,620,028	65,290,796	-
2012	40,918,907	19,237,650	-	2,543,681	62,700,238	-
2011	39,494,522	17,945,296	-	2,703,997	60,143,815	-
2010	38,890,572	16,428,065	-	2,582,490	57,901,127	-
2009	38,388,366	15,781,493	1,488	2,285,973	56,457,320	(1,041)

Source: School District Financial Records

Linn-Mar Community School District

**General Fund Revenues By Function and Other Financing Uses
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

Fiscal Year Ended June 30,	Local Tax	State	Federal	Miscellaneous	Total Revenues	Other Financing Uses
2018	\$ 26,546,671	\$ 47,435,997	\$ 2,788,965	\$ 6,678,123	\$ 83,449,756	\$ 40,738
2017	24,785,704	46,347,416	2,494,084	6,253,052	79,880,256	63,248
2016	23,986,903	45,028,110	2,048,773	5,443,165	76,506,951	13,676
2015	22,754,909	42,577,642	2,220,542	4,843,746	72,396,839	8,229
2014	22,705,206	38,582,952	2,197,297	4,367,577	67,853,032	8,288
2013	22,570,032	36,216,767	2,277,606	4,058,710	65,123,115	58,878
2012	22,532,908	35,325,267	3,029,743	3,756,868	64,644,786	16,521
2011	23,106,617	33,471,036	3,752,150	3,505,767	63,835,570	1,769
2010	22,681,230	27,764,454	5,484,986	2,953,300	58,883,970	7,481
2009	21,808,516	31,352,545	2,087,217	3,057,787	58,306,065	1,119

Source: School District Financial Records

Linn-Mar Community School District

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Assessment Year	Collection Year	Actual Value			Less Exemptions	Total Taxable Value	Total Direct Rate
		Residential Property	Commercial Property	Other Property			
2016	2017-18	2,523,208,100	494,562,506	275,862,298	1,244,913,378	2,048,719,526	17.37544
2015	2016-17	2,436,608,100	484,766,546	267,382,298	1,233,351,437	1,955,405,507	17.37723
2014	2015-16	2,353,842,868	548,360,758	183,971,846	1,182,203,330	1,903,972,142	17.37861
2013	2014-15	2,284,210,354	548,493,780	169,642,588	1,139,926,871	1,862,419,851	17.00411
2012	2013-14	2,238,748,147	537,214,072	139,152,794	1,096,153,062	1,818,961,951	17.26780
2011	2012-13	2,204,092,586	520,222,182	135,423,932	1,125,070,806	1,734,667,894	17.73099
2010	2011-12	2,153,396,178	503,990,676	125,663,342	1,136,730,855	1,646,319,341	18.54161
2009	2010-11	2,073,971,062	500,753,652	125,978,973	1,129,135,324	1,571,568,363	19.73839
2008	2009-10	1,990,858,611	477,986,759	106,310,922	1,095,573,208	1,479,583,084	20.22951
2007	2008-09	1,893,497,108	483,513,198	98,623,115	1,070,565,207	1,405,068,214	20.40133

Source: Linn County Auditor

Linn-Mar Community School District

Property Tax Levies And Collections
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Levy	Collected within the Levy Year		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of the Levy		Amount	Percentage of the Levy
2018	\$ 34,611,614	\$ 34,548,420	99.82%	\$ 75,617	\$ 34,624,036	100.04%
2017	32,941,467	32,848,881	99.72%	82,864	32,931,745	99.97%
2016	32,160,080	32,050,116	99.66%	100,781	32,150,896	99.97%
2015	31,124,849	30,907,422	99.30%	87,250	30,994,672	99.58%
2014	30,873,621	30,751,540	99.60%	96,070	30,847,610	99.92%
2013	30,246,623	30,083,367	99.46%	101,105	30,184,472	99.79%
2012	30,028,665	29,867,169	99.46%	147,759	30,014,928	99.95%
2011	30,261,870	29,992,625	99.11%	168,928	30,161,553	99.67%
2010	29,491,293	29,241,244	99.15%	235,142	29,476,386	99.95%
2009	28,092,272	27,873,797	99.22%	229,839	28,083,242	99.97%

Source: School District Financial Records

Linn-Mar Community School District

**Property Tax Rates Per \$1,000 Assessed Valuation
All Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)**

Levy Year	Collection Year	City of Cedar Rapids	City of Marion	City of Robins
2016	2017-18			
	County	6.14108	6.14108	6.14108
	Schools	17.37544	17.37544	17.37544
	City	15.21621	13.98943	7.67714
	Miscellaneous	1.51391	1.50398	1.50398
	Total Levy	40.24664	39.00993	32.69764
Ratio of Linn-Mar Community School District to Total		43.17%	44.54%	53.14%
2015	2016-17			
	County	6.14108	6.14108	6.14108
	Schools	17.37723	17.37723	17.37723
	City	15.21621	13.82108	7.96103
	Miscellaneous	1.48018	1.45693	1.45693
	Total Levy	40.2147	38.79632	32.93627
Ratio of Linn-Mar Community School District to Total		43.21%	44.79%	52.76%
2014	2015-16			
	County	6.14225	6.14225	6.14225
	Schools	17.37861	17.37861	17.37861
	City	15.21621	13.58625	7.97127
	Miscellaneous	1.44038	1.47354	1.47354
	Total Levy	40.17745	38.58065	32.96567
Ratio of Linn-Mar Community School District to Total		43.25%	45.04%	52.72%
2013	2014-15			
	County	6.14191	6.14191	6.14191
	Schools	17.00411	17.00411	17.00411
	City	15.21621	13.12953	7.9306
	Miscellaneous	1.43456	1.47869	1.47869
	Total Levy	39.79679	37.75424	32.55531
Ratio of Linn-Mar Community School District to Total		42.73%	45.04%	52.23%

Linn-Mar Community School District

**Property Tax Rates Per \$1,000 Assessed Valuation
All Direct and Overlapping Governments (continued)
Last Ten Fiscal Years
(Unaudited)**

Levy Year	Collection Year	City of Cedar Rapids	City of Marion	City of Robins
2012	2013-14			
	County	6.11191	6.11191	6.11191
	Schools	17.26780	17.26780	17.26780
	City	15.21621	13.15637	7.77881
	Miscellaneous	1.46096	1.32167	1.32167
	Total Levy	40.05688	37.85775	32.48019
Ratio of Linn-Mar Community School District to Total		43.11%	45.61%	53.16%
2011	2012-2013			
	County	6.11191	6.11191	6.11191
	Schools	17.73099	17.73099	17.73099
	City	15.21621	13.62416	8.02375
	Miscellaneous	1.35108	1.64296	1.64296
	Total Levy	40.41019	39.11002	33.50961
Ratio of Linn-Mar Community School District to Total		43.88%	45.34%	52.91%
2010	2011-2012			
	County	6.11117	6.11117	6.11117
	Schools	18.54161	18.54161	18.54161
	City	15.21621	13.5098	8.60023
	Miscellaneous	1.29745	1.59012	1.59012
	Total Levy	41.16644	39.7527	34.84313
Ratio of Linn-Mar Community School District to Total		45.04%	46.64%	53.21%
2009	2010-2011			
	County	6.06829	6.06829	6.06829
	Schools	19.73839	19.73839	19.73839
	City	15.21621	13.63603	9.01063
	Miscellaneous	1.26511	1.26511	1.26511
	Total Levy	42.288	40.70782	36.08242
Ratio of Linn-Mar Community School District to Total		46.68%	48.49%	54.70%

(Continued)

Linn-Mar Community School District

**Property Tax Rates Per \$1,000 Assessed Valuation
All Direct and Overlapping Governments (continued)
Last Ten Fiscal Years
(Unaudited)**

Levy Year	Collection Year	City of Cedar Rapids	City of Marion	City of Robins
2008	2009-2010			
	County	5.95245	5.95245	5.95245
	Schools	20.22951	20.22951	20.22951
	City	15.21621	13.86482	9.28024
	Miscellaneous	1.22581	1.22581	1.22581
	Total Levy	42.62398	41.27259	36.68801
	Ratio of Linn-Mar Community School District to Total	47.46%	49.01%	55.14%
2007	2008-2009			
	County	6.14971	6.14971	6.14971
	Schools	20.40133	20.40133	20.40133
	City	15.07076	14.1385	9.1834
	Miscellaneous	1.25457	1.47989	1.47989
	Total Levy	42.87637	42.16943	37.21433
	Ratio of Linn-Mar Community School District to Total	47.58%	48.38%	54.82%

Source: Linn County Auditor

Linn-Mar Community School District

**Property Tax Rates By Fund Per \$1,000 Assessed Valuation
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ending 30-Jun	General	Management	Board Physical Plant and Equipment	Playground	Board Physical Plant and Equipment	Debt Service	Total
2018	13.38276	0.47490	0.33000	0.13500	1.34000	1.71278	17.37544
2017	13.14183	0.47075	0.33000	0.13500	1.34000	1.95965	17.37723
2016	13.03448	0.54742	0.33000	0.13500	1.34000	1.99171	17.37861
2015	12.50639	0.52341	0.33000	0.13500	1.34000	2.16931	17.00411
2014	12.73201	0.67647	0.33000	0.13500	1.34000	2.05432	17.26780
2013	13.26000	0.50000	0.33000	0.13500	1.34000	2.16599	17.73099
2012	13.93153	0.50000	0.33000	0.13500	1.34000	2.30508	18.54161
2011	15.11830	1.14668	0.33000	0.13500	0.67000	2.33841	19.73839
2010	15.56715	0.90000	0.33000	0.13500	0.67000	2.62736	20.22951
2009	15.86000	0.65000	0.33000	0.13500	0.67000	2.75633	20.40133

Source: School District Financial Records

Linn-Mar Community School District

**Principal Property Tax Payers
Current Year and Nine Years Ago
(Unaudited)**

Taxpayer	2016 Value 1-1-16 Valuation	Percentage of Total Taxable Value Valuation *	2007 Taxable Value 1-1-07 Valuation	Percentage of Total Taxable Value Valuation **
SDG Macerich Properties	\$ 35,274,770	1.72%	\$ 35,189,860	2.50%
Rockwell Collins Inc	18,482,164	0.90%	30,269,278	2.15%
Wal-Mart Real Estate Business Trust	12,341,790	0.60%	-	-
Collins Square LLC	10,618,290	0.52%	-	-
Apple Ten Hospitality Ownership Inc	8,945,730	0.44%	-	-
Marion Senior Development LLC	7,439,603	0.36%	-	-
CR-Collins LLC	7,352,550	0.36%	-	-
Atrium Finance I LP	7,318,800	0.36%	9,859,573	0.70%
National Retail Properties LP	7,305,480	0.36%	-	-
Target Corporation	7,240,410	0.35%	-	-
Davis Realty	-	-	13,393,404	0.95%
Developers Diversified Realty Group	-	-	11,552,641	0.82%
Granite Valley Cedar LLC	-	-	9,924,171	0.71%
Interstate Power/Alliant	-	-	9,675,466	0.69%
Busse Investment Inc	-	-	7,703,510	0.55%
Midwest Development	-	-	7,066,250	0.50%
Lindale Mall	-	-	6,299,500	0.45%
Total	\$ 122,319,587	5.97%	\$ 140,933,653	10.03%

* 2016 Total District Taxable Valuation is \$2,048,719,526

** 2007 Total District Taxable Valuation was \$1,405,068,214

Note: The 2016 valuation was reported because the taxes collected during the 2018 fiscal year was based on the 2016 valuation.

Source: Linn County Auditor

Linn-Mar Community School District

**Ratio of Bonded Debt to Assessed Values
And Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Assessed Values of Property	General Obligation Bonds	Revenue Bonds	Capital Loan Notes	Total Bonds	Ratio of Bonded Debt To Assessed Value	Bonded Debt Per Capita
2018	\$ 3,293,632,904	\$ 25,000,000	\$ 49,490,000	\$ 7,945,000	\$ 82,435,000	2.50%	\$ 306
2017	3,188,756,944	27,305,000	53,310,000	8,985,000	89,600,000	2.81%	335
2016	3,086,175,472	32,335,000	57,010,000	10,000,000	99,345,000	3.22%	372
2015	3,002,346,722	35,585,000	49,540,000	-	85,125,000	2.84%	320
2014	2,915,115,013	38,805,000	49,005,000	-	87,810,000	3.01%	332
2013	2,859,738,700	42,260,000	53,360,000	-	95,620,000	3.34%	364
2012	2,783,050,196	45,365,000	36,585,000	-	81,950,000	2.94%	315
2011	2,700,703,687	48,440,000	39,705,000	-	88,145,000	3.26%	341
2010	2,545,408,524	51,215,000	42,725,000	-	93,940,000	3.69%	365
2009	2,441,242,271	53,870,000	9,525,000	-	63,395,000	2.60%	248

Source: District Financial Records, Woods & Poole Economics

Notes: Percentage personal Income and Per Capita figures are based upon Cedar Rapids Metropolitan Statistical Area Data from the corresponding calendar year.

Linn-Mar Community School District

**Outstanding Debt By Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Loan Notes	Capital Leases	Total Primary Government	Ratio Of Bonded Debt To Personal Income *
2018	\$ 25,000,000	\$ 49,490,000	\$ 7,945,000	\$ -	\$ 82,435,000	0.60%
2017	27,305,000	53,310,000	8,985,000	-	89,600,000	0.67%
2016	32,335,000	57,010,000	10,000,000	-	99,345,000	0.78%
2015	35,585,000	49,540,000	-	-	85,125,000	0.68%
2014	38,805,000	49,005,000	-	55,675	87,865,675	0.73%
2013	42,260,000	53,360,000	-	109,031	95,729,031	0.81%
2012	45,365,000	36,585,000	-	160,165	82,110,165	0.73%
2011	48,440,000	39,705,000	-	292,561	88,437,561	0.83%
2010	51,215,000	42,725,000	-	419,310	94,359,310	0.91%
2009	53,870,000	9,525,000	-	239,512	63,634,512	0.61%

Source: School District Financial Records.

Notes: (a) See Micellaneous Demographic Statistics on page 99. These ratios are calculated using personal income and population for the prior calendar year.

Linn-Mar Community School District

**Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Local Option Sales Tax Revenue Bonds				Capital Loan Notes			
	Revenue	Debt Service		Coverage	Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2018	\$6,808,180	\$ 3,820,000	\$ 1,583,105	1.26	\$ 3,403,026	\$ 1,040,000	\$ 175,208	2.80
2017	6,889,195	3,700,000	1,677,229	1.28	3,364,875	1,015,000	195,000	2.78
2016	6,811,318	2,530,000	1,634,525	1.64	3,290,745	-	-	n/a
2015	6,587,426	3,130,000	1,415,579	1.45	3,164,958	-	-	n/a
2014	5,979,539	2,710,000	855,871	1.68	3,045,026	-	-	n/a
2013	5,600,634	3,225,000	1,417,702	1.21	2,905,197	-	-	n/a
2012	6,441,915	3,120,000	1,532,367	1.38	2,759,337	-	-	n/a
2011	6,121,089	3,020,000	1,507,500	1.35	1,575,427	-	-	n/a
2010	6,709,286	1,200,000	726,581	3.48	1,484,240	-	-	n/a
2009	5,592,757	-	-	n/a	1,413,156	-	-	n/a

Source: School District Financial Records

Linn-Mar Community School District

**Computation of Legal Debt Margin
Last Ten Fiscal Years
(Unaudited)**

	2017-2018	2016-2017	2015-2016	2014-2015
Total Assessed Valuation	\$ 3,290,401,068	\$ 3,188,756,944	\$ 3,086,175,472	\$ 3,002,346,722
Bonded Debt Limit * 5% of assessed valuation	164,520,053	159,437,847	154,308,774	150,117,336
Bonded Debt at end of fiscal year	82,435,000	89,600,000	99,345,000	85,125,000
Debt Margin at end of fiscal year	\$82,085,053	\$69,837,847	\$54,963,774	\$64,992,336
Legal Debt Margin as a Percentage of debt limit	49.89%	43.80%	35.62%	43.29%

* Code of Iowa Section 296.1

Source: Linn County Auditor
School District Financial Records

2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
\$ 2,915,115,013	\$ 2,859,738,700	\$ 2,783,050,196	\$ 2,700,703,687	\$ 2,545,408,524	\$ 2,441,242,271
145,755,751	142,986,935	139,152,510	135,035,184	127,270,426	122,062,114
87,865,675	95,729,031	82,110,165	88,437,561	94,359,310	63,634,512
\$57,890,076	\$47,257,904	\$57,042,344	\$46,597,623	\$32,911,116	\$58,427,602
39.72%	33.05%	40.99%	34.51%	25.86%	47.87%

Linn-Mar Community School District

**Computation of Direct and Overlapping Debt
Last Ten Fiscal Years
(Unaudited)**

	Gross General Obligation Debt Outstanding	Percentage Applicable to Governmental Unit *	Linn-Mar Community School District Share of Debt
Direct:			
Linn-Mar Community School District	\$ 25,000,000	100%	\$ 25,000,000
Overlapping:			
City of Cedar Rapids	160,487,938	11.45%	18,375,869
City of Marion	54,050,000	67.76%	36,624,280
City of Robbins	6,435,000	25.86%	1,664,091
Kirkwood Community College	58,772,000	8.27%	4,860,444
Linn County	29,620,000	18.68%	5,533,016
Total Overlapping	309,364,938		67,057,700
Total Direct and Overlapping Debt	\$ 334,364,938		\$ 92,057,700

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 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.

* 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.

Linn-Mar Community School District

**Miscellaneous Demographic Statistics
Last Ten Fiscal Years
(Unaudited)**

Calendar Year	Population	Personal Income	Per Capita Income	Cedar Rapids Retail Sales (In Millions)	Marion Retail Sales (In Millions)	Linn-County Unemployment Rate	State Unemployment Rate
2017	269,330	\$ 13,655,838,990	50,703	3,214.5	371.1	3.50%	3.10%
2016	267,447	13,375,291,917	50,011	3,190.5	364.4	3.70%	3.50%
2015	266,998	12,816,704,994	48,003	3,525.8	456.6	3.90%	3.80%
2014	265,624	12,429,078,208	46,792	3,044.2	351.2	4.40%	4.00%
2013	264,346	11,973,287,724	45,294	2,972.5	339.7	5.00%	4.40%
2012	262,534	11,870,474,810	45,215	2,931.3	341	5.20%	4.90%
2011	259,828	11,174,162,968	43,006	2,862.1	328.9	5.70%	5.30%
2010	258,467	10,693,813,658	41,374	2,645.4	333.3	6.00%	5.70%
2009	257,530	10,417,088,500	40,450	2,894.8	351.8	6.10%	6.40%
2008	255,452	10,455,139,456	40,928	2,576.7	315.6	4.10%	5.30%

Source : Cedar Rapids Chamber of Commerce, Woods & Poole Economics
Iowa Department of Employment Services, Iowa Retail Sales & Use Tax Report

Note: The information provided in this chart is collected on a calendar year basis, so data for 2018 is not yet available.

Linn-Mar Community School District

**New Commercial and Industrial Building Permits
Last Ten Fiscal Years
(Unaudited)**

Year	City of Cedar Rapids New Commerical		City of Marion New Commerical	
	# of Permits	Valualtion	# of Permits	Valualtion
2017	59	\$ 118,816,581	25	\$ 39,427,284
2016	65	95,888,669	16	12,384,735
2015	38	75,376,545	14	6,420,879
2014	45	49,446,998	12	2,369,744
2013	64	85,971,266	18	9,608,347
2012	26	44,088,780	6	3,260,541
2011	20	43,488,532	11	2,494,538
2010	22	37,695,793	10	30,148,436
2009	21	19,387,965	6	902,214
2008	26	36,693,287	4	6,200,525

Year	City of Cedar Rapids New Industrial		City of Marion New Industrial	
	# of Permits	Valualtion	# of Permits	Valualtion
2017	0	\$ -	0	\$ -
2016	0	-	0	-
2015	0	-	9	16,380,099
2014	0	-	2	3,445,873
2013	0	-	0	-
2012	5	1,402,760	0	-
2011	7	1,962,394	0	-
2010	0	-	1	75,000
2009	1	163,900	0	-
2008	12	34,937,383	0	-

Source: City of Cedar Rapids Building Department
City of Marion

Note: The information provided in this chart is collected on a calendar year basis, so data for 2018 is not yet available.

Linn-Mar Community School District

**New Single and Multi Family Dwelling Permits
Last Ten Fiscal Years
(Unaudited)**

Year	City of Cedar Rapids Single-Family		City of Marion Single-Family	
	# of Permits	Valuation	# of Permits	Valuation
2017	214	\$ 22,667,477	171	\$ 21,027,035
2016	219	22,354,265	164	19,773,834
2015	268	23,607,356	202	26,212,686
2014	325	34,621,397	145	17,599,562
2013	246	24,631,630	184	22,646,922
2012	253	26,111,686	157	18,988,018
2011	212	20,726,818	128	14,949,682
2010	332	29,438,833	145	16,677,433
2009	323	29,770,945	143	16,333,694
2008	292	30,247,887	216	26,585,154

Year	City of Cedar Rapids Multi-Family		City of Marion Multi-Family	
	# of Permits	Valuation	# of Permits	Valuation
2017	42(n/a)	\$ 7,455,378	29(n/a)	\$ 8,638,905
2016	46(n/a)	6,783,769	27(n/a)	7,329,250
2015	31(n/a)	5,342,262	13(n/a)	11,019,666
2014	27(n/a)	10,432,216	15(n/a)	4,233,891
2013	24(n/a)	4,370,772	12(n/a)	3,713,484
2012	29(n/a)	6,935,533	24(n/a)	6,193,893
2011	64(n/a)	7,849,210	23(n/a)	5,349,470
2010	33(99)	6,331,267	21(n/a)	3,960,067
2009	73(403)	28,959,453	27(n/a)	6,037,139
2008	41(160)	9,749,758	25(73)	5,933,636

Source: City of Cedar Rapids Building Department
City of Marion

Note: The information provided in this chart is collected on a calendar year basis, so data for 2018 is not yet available.



Linn-Mar Community School District

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2017		2008	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
State University of IA/Hospital	28,661	42.83%	28,781	46.78%
Rockwell-Avionics	9,400	14.05%	9,253	15.04%
Area Schools/AEA	8,570	12.81%	6,051	9.83%
TransAmerica	3,800	5.68%	3,500	5.69%
St. Lukes Hospital	2,979	4.45%	2,700	4.39%
Mercy Medical Center	2,140	3.20%	2,300	3.74%
Whirlpool Corporation	3,200	4.78%	2,273	3.69%
Vetrans Health Administration	1,502	2.24%	-	-
Pearson	1,765	2.64%	-	-
Mercy Iowa City	900	1.35%	-	-
Hy-Vee Stores	2,356	3.52%	3,500	5.69%
Walmart Stores, Inc.	830	1.24%	3,170	5.15%
Total	66,913	100.00%	61,528	100.00%

Source: Cedar Rapids Area Chamber of Commerce

Linn-Mar Community School District

**Full-Time-Equivalent District Employees By Type
Last Ten Fiscal Years
(Unaudited)**

	Fiscal Year			
	2009	2010	2011	2012
Administration				
Superintendent	1	1	1	1
Associate Superintendent	1	1	1	1
Principals	10	10	10	10
Assistant Principals	6	6	8	8
Deans	2	2	2	2
School Admin. Manager	3	5	7	7
Other Administrators	4	4	4	4
Supervisors	7	7	8	7
Instructors				
Regular Program Teachers	362.6	366.6	367.33	363.5
Special Education Teachers	55	56	54.27	64
Student Services				
Guidance Counselors	17	17	17	17
Media Specialists	10	10	10	10
Curriculum Coordinators	2	2	2	2
Other Licensed Staff	5	5	6	6
Other Coordinators	4	4	6	8
Support Personnel				
Nurse	4	4	4	4
Clerical	43.4	43.5	43.56	41.26
Paraeducators	149	154.9	144.95	178.48
Custodial & Maintenance	63	63	58	61.5
Food Service	48.16	49.82	51.57	48.51
Bus Drivers	27.09	28.19	26.9	28.18
	824.25	840.01	832.58	872.43

Source: District Personnel Records

Fiscal Year					
2013	2014	2015	2016	2017	2018
1	1	1	1	1	1
1	1	1	1	1	1
10	10	10	10	10	10
8	8	9	9	9	9
2	2	1	1	2	2
7	7	7	7	7	7
4	5	5	5	5	4
7	7	7	8	7	7
377.5	376.5	402.5	419.37	417.17	433.67
62	62	65	65	65.5	63
18	19	19	18	19	19
10	10	10	10	10	10
4	4	5	5	5	6
6	6	6	7	7	9
8	9	9	9	9	12
4	4	4	4.5	5.5	4.5
43.5	42.43	42.43	42.5	41	39.45
187.5	192.38	195	212.5	224.7	247.98
73	70.06	73	70.1	70.5	71.29
52.5	51.02	53	54	54	57.77
26.77	27.67	28	30	30	30.9
912.77	915.06	952.93	988.97	1000.37	1045.56

Linn-Mar Community School District

**Property Values, Construction and Bank Deposits
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30,	Insured Property Value	Expenditures For Construction	Bank Deposit *
2018	\$ 213,573,152	\$ 3,239,412	\$ 19,668,746
2017	213,076,371	9,448,106	20,017,152
2016	208,651,988	19,381,435	19,619,302
2015	202,429,166	8,626,662	19,430,788
2014	198,472,285	8,954,338	20,056,826
2013	150,587,691	8,539,938	20,021,889
2012	148,917,277	4,760,465	20,029,573
2011	138,693,867	11,709,850	6,638,429
2010	138,979,461	24,266,307	4,000,518
2009	120,501,828	6,614,785	345,460

* School District's General Fund & Management Fund bank deposit at June 30, which doesn't include investments.

Source: Bouslog Insurance, Inc.
True North Insurance
District Financial Records

Linn-Mar Community School District

**Operating Cost Per Pupil
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Total Costs *	Average Daily Attendance	Operating Costs Per Pupil
2017-2018	\$ 83,889,227	7,224	\$ 11,613
2016-2017	79,674,924	7,140	11,158
2015-2016	76,800,261	7,001	10,970
2014-2015	73,021,462	6,845	10,668
2013-2014	68,501,215	6,714	10,203
2012-2013	65,290,796	6,695	9,752
2011-2012	62,700,237	6,419	9,768
2010-2011	60,143,815	6,252	9,620
2009-2010	57,901,127	5,963	9,710
2008-2009	56,457,320	5,759	9,803

* Includes all General Fund Expenditures

Source: School District Financial and attendance reports

Linn-Mar Community School District

**School Building Information
Last Ten Fiscal Years
(Unaudited)**

School	2009	2010	2011	2012
Elementary				
Bowman Woods				
Square Feet	50,906	50,906	50,906	50,906
Capacity	500	500	500	500
Enrollment	437	429	417	436
Echo Hill				
Square Feet	78,000	78,000	78,000	78,000
Capacity	600	600	600	600
Enrollment	511	542	458	432
Indian Creek				
Square Feet	49,200	49,200	49,200	49,200
Capacity	450	450	450	450
Enrollment	385	430	452	447
Linn Grove				
Square Feet	78,000	78,000	78,000	78,000
Capacity	600	600	600	600
Enrollment	379	392	440	460
Novak				
Square Feet	57,300	57,300	78,000	78,000
Capacity	400	400	600	600
Enrollment	357	351	484	485
Westfield				
Square Feet	58,000	58,000	58,000	58,000
Capacity	500	500	500	500
Enrollment	427	457	459	446
Wilkins				
Square Feet	48,800	48,800	48,800	48,800
Capacity	500	500	500	500
Enrollment	442	436	447	458
Middle School/Intermediate ^a				
Excelsior				
Square Feet	126,700	126,700	126,700	126,700
Capacity	1,100	1,100	1,100	1,100
Enrollment	767	738	761	849
Oak Ridge ^c				
Square Feet	105,383	105,383	105,383	105,383
Capacity	750	750	750	750
Enrollment	599	659	700	670
High School/Junior High ^b				
Square Feet	305,000	305,000	305,000	305,000
Capacity	1,800	1,800	1,800	1,800
Enrollment	1,761	1,806	1,708	1,776

Notes: Over time some of the buildings capacity have actualy decreased due to the inclusion of additional special programs

^a Excelsior Middle School opened back in 1995 as an intermediate school and was added onto 1999 and converted into a middle school.

^b The High school started out as two separate buildings; the high school and junior high. Over time they were both added onto and are now one large building.

^c With the opening of Echo Hill elementary school at the start of the 2008-2009 school year, Oak Ridge school was converted from a PreK-8 school to a middle school.

Source: School District Financial Records

2013	2014	2015	2016	2017	2018
50,906	50,906	50,906	50,906	50,906	50,906
500	550	550	550	550	550
408	419	484	484	482	456
78,000	78,000	78,000	78,000	78,000	78,000
600	600	600	600	600	600
502	512	567	612	610	564
49,200	49,200	49,200	49,200	49,200	49,200
450	500	500	500	500	500
502	502	509	516	529	564
78,000	78,000	78,000	78,000	78,000	78,000
600	600	600	600	600	600
454	466	491	562	568	530
78,000	78,000	78,000	78,000	78,000	78,000
600	600	600	600	600	600
504	518	454	529	547	591
58,000	58,000	58,000	58,000	66,763	66,763
500	500	500	500	600	600
453	452	426	437	427	552
48,800	48,800	48,800	48,800	48,800	48,800
500	500	500	500	500	500
432	440	479	465	446	423
126,700	126,700	126,700	126,700	126,700	126,700
1,100	1,100	1,100	1,100	1,100	1,100
927	938	928	947	974	953
105,383	105,383	105,383	117,013	119,712	119,712
750	750	750	800	800	800
678	681	713	756	753	768
305,000	315,478	315,478	315,478	302,704	302,704
1,800	2,200	2,200	2,200	2,400	2,400
1,928	1,934	1,979	2,012	2,061	2,168

Linn-Mar Community School District

**Solvency Ratio
Last Ten Fiscal Years
(Unaudited)**

School Year	Unassigned & Assigned General Fund Balance	Actual Revenues	Financial Solvency Ratio
2017-2018	\$ 8,818,614	\$ 83,490,494	10.56%
2016-2017	8,880,831	79,943,505	11.11%
2015-2016	8,762,447	76,520,627	11.45%
2014-2015	8,612,834	72,405,068	11.90%
2013-2014	9,282,581	67,860,878	13.68%
2012-2013	9,955,659	65,181,993	15.27%
2011-2012	10,234,148	64,661,306	15.83%
2010-2011	8,000,016	63,835,570	12.53%
2009-2010	5,172,928	58,883,970	8.78%
2008-2009	4,663,394	58,306,065	8.00%

* Financial Solvency Ratio =
$$\frac{\text{Unassigned \& Assigned General Fund Balance}}{\text{Actual Revenues}}$$

The financial solvency ratio measures movement and distribution of current assets. The financial solvency ratio represents a school district's year end position after payment of all current and outstanding or accrued liabilities.

Ranges utilized are:

TARGETED SOLVENCY POSITION:

Financial Solvency Ratio ranging from 5% to 10% of actual revenues. A school district is able to meet unforeseen financing requirements and presents a sound risk for the timely repayment of short-term obligations.

ACCEPTABLE SOLVENCY POSITION:

Financial Solvency Ratio ranging from 0% to 4.99% of actual revenues. Fund balance is considered adequate for short-term credit purposes as long as other local economic trends, such as property tax collections and enrollment are sound.

SOLVENCY ALERT:

A solvency alert exists if the school corporation has a negative solvency ratio up to -3.0% of actual revenues. A negative solvency position in this range warrants prompt management response but could be caused by operating revenue/expenditure fluctuations within one budget year.

SOLVENCY CONCERN:

A solvency concern exists if the school corporation has a negative solvency ratio in excess of -3.0% of actual revenues.

Source: School District Financial Records

Linn-Mar Community School District

Schedule of Average Daily Membership (ADM), Average
Daily Attendance (ADA) and Ratio of ADA to ADM
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ending June 30,	Average Daily Membership (ADM)	Average Daily Attendance (ADA)	Ratio of ADA to ADM
2018	7,568	7,224	95.45%
2017	7,478	7,140	95.49%
2016	7,241	7,001	96.68%
2015	7,146	6,845	95.78%
2014	6,986	6,714	96.11%
2013	6,985	6,695	95.85%
2012	6,687	6,419	95.99%
2011	6,534	6,252	95.68%
2010	6,308	5,963	94.53%
2009	6,069	5,759	94.89%

Source: District Enrollment Records

Linn-Mar Community School District

**Open Enrolled Students
Last Ten Fiscal Years
(Unaudited)**

School Year	Open Enrollment In	Open Enrollment Out	Net Gain (Loss)
2018	608.6	599	10
2017	589.9	554.5	35
2016	565.5	571.4	-6
2015	498.2	532.7	-35
2014	474.8	513	-38
2013	442	538	-96
2012	399	543	-144
2011	358	532	-174
2010	309	558	-249
2009	253	588.7	-335.7

Source: School District Certified Enrollment Records

SINGLE AUDIT SECTION





Linn-Mar Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Indirect:				
U.S. Department of Agriculture:				
Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY18 4552	\$ -	\$ 124,759
National School Lunch Program	10.555	FY18 4553	-	909,969
Commodities-DOD (Noncash)	10.555	FY18	-	111,281
Commodities (Noncash)	10.555	FY18	-	99,658
Total Child Nutrition Cluster,				
Total U.S. Department of Agriculture			-	<u>1,245,667</u>
 U.S. Department of Education:				
Iowa Department of Education:				
Title I, Part A Cluster Programs:				
Title I Grants to Local Educational Agencies	84.010	FY18 4501	-	<u>583,522</u>
Special Education-Grants to States, IDEA Part B	84.027	FY18 4511	-	<u>275 (1)</u>
Career and Technical Education-Basic Grants to States	84.048	FY18 4531	-	<u>47,565</u>
Special Education-State Personnel Development Grants	84.323	FY18 4526	-	<u>24,706</u>
Improving Teacher Quality State Grants	84.367	FY18 4643	-	<u>127,595</u>
Grant Wood Area Education Agency:				
Special Education - Grants to States, IDEA Part B	84.027	FY18 4521	-	<u>335,018 (1)</u>
English Language Acquisition State Grants	84.365	FY18 4644	-	<u>3,792</u>
Total U.S. Department of Education			-	<u>1,122,473</u>
 U.S. Department of Health and Human Services:				
Iowa Department of Education:				
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems (AIDS Education)				
	93.938	FY18 4577	-	<u>233</u>
Total expenditures of federal awards			\$ -	<u>\$ 2,368,373</u>

(1) Total CFDA No. 84.027 \$335,293.

See notes to schedule of expenditures of federal awards.



Linn-Mar Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2018

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Linn-Mar Community School District under programs of the federal government for the year ended June 30, 2018. 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 the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 2. Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual or accrual basis of accounting based on the fund type of the program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Indirect Cost Rate

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

Linn-Mar Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2018**

Findings	Status	Corrective Action Plan or Other Explanation
Other Findings Related to Required Statutory Reporting: IV-G-17 There were variances in basic enrollment data submitted to the Iowa Department of Education	Not corrected	See corrective action plan at IV-G-18



**Independent Auditor's 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***

To the Board of Education
Linn-Mar Community School District
Marion, Iowa

We have audited 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Linn-Mar Community School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2018.

Our report included an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 75.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Linn-Mar Community School 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Linn-Mar Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Linn-Mar Community School 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 over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Linn-Mar Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questions Costs.

Comments involving statutory and other legal matters about Linn-Mar Community School District's operations for the year ended June 30, 2018 are based exclusively on knowledge obtained from procedures performed during our audit of the 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 interpretations of those statutes.

Linn-Mar Community School District's Responses to Findings

Linn-Mar Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Linn-Mar Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Moline, Illinois
November 30, 2018



Independent Auditor’s Report on Compliance For Each Major Federal Program and On Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education
Linn-Mar Community School District
Marion, Iowa

Report on Compliance for Each Major Federal Program

We have audited Linn-Mar 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, 2018. 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 each of 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 the 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 on 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 each of its major federal programs for the year ended June 30, 2018.

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 the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2018-003 that we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Moline, Illinois
November 30, 2018

Linn-Mar Community School District

**Schedule of Findings and Responses
Year Ended June 30, 2018**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency 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 deficiency 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 2 CFR 200.516(a)? Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
Child Nutrition Cluster Program:	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Commodities-DOD (Noncash)
10.555	Commodities (Noncash)

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

Auditee qualified as low-risk auditee? Yes No

(Continued)

Linn-Mar Community School District

**Schedule of Findings and Responses
Year Ended June 30, 2018**

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

2018-001

Finding: The District has insufficient segregation of duties over the payroll process.

Condition: Employees that process payroll also have access to change the employee master file, including entering new employees, modifying pay rates and adding deductions as well as access to enter time to the payroll system, process the payroll and generate payroll checks and direct deposits. This position also posts the payroll to the general ledger.

Context: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to its completion.

Effect: Misappropriations of assets or errors could occur and not be detected in a timely basis.

Cause: A limited number of personnel are involved in the payroll function.

Recommendation: Any position responsible for processing the payroll should be segregated from the ability to make employee master file changes. We recommend the District remove all access to the employee master file from the payroll office employees and require the Human Resources Department to make all payroll master file employee changes. Alternatively, we provide the following recommendations to strengthen the District's internal control system:

- The District should determine if the payroll system could include an approval process for pay rate changes including number of pays in the system whereby if one payroll accounting clerk entered the change the other payroll accounting clerk could approve the change in the system before the change could be made.
- The District should determine if a payroll change/edit report can be automatically generated from the payroll system every payroll. This report should list all changes made to the employee master files as well as extra pays or leave time added for the pay period. The changes on this report should be routinely reviewed by a position independent from the payroll processing position. The edit report should be signed by the employee performing the review and maintained.
- A position independent from the payroll process should print the checks, denote check sequence and sort the checks and direct deposit advices according to departments.

Response and Corrective Action Plan: The District will review current processes and realign duties and system access levels to improve internal controls within the design of the payroll system.

Linn-Mar Community School District

**Schedule of Findings and Responses
Year Ended June 30, 2018**

2018-002

Finding: The District has insufficient segregation of duties over the disbursement process.

Condition: Employees that process disbursements also have access to edit the vendor master file, generate quick purchase orders, generate the checks, and prepare and upload the positive pay file to the bank.

Context: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to its completion.

Effect: Misappropriations of assets or errors could occur and not be detected in a timely basis.

Cause: A limited number of personnel are involved in the disbursement function.

Recommendation: In general, authorization of new vendors, entering invoices into the accounting system, and processing of checks should be segregated from each other. We provide the following recommendations to strengthen the District's internal control system:

- We recommend the District remove the access to the vendor master file and remove access to generate quick purchase orders from employees processing invoices.
- We recommend that check sequence be formally logged and tracked by someone independent of the cash disbursement function to ensure all checks are appropriately approved and accounted for. Any gaps in sequence should be investigated and documented. The person accounting for check sequence should also ensure that all checks accounted for are listed on the listing sent to the Board for review each month, including any manual checks written between Board meetings or payroll deduction checks written on expenditure check stock.

Response and Corrective Action Plan: The District will review current processes and realign duties and system access levels to improve internal controls within the design of the disbursement system.

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Linn-Mar Community School District

**Schedule of Findings and Responses
Year Ended June 30, 2018**

Internal control deficiencies:

2018-003

**U.S. Department of Agriculture
Pass-Through Iowa Department of Education
Child Nutrition Cluster
School Breakfast Program (CFDA 10.553)
National School Lunch Program (CFDA 10.555)
Federal Award Year: 2018**

Finding: The District does not have an adequate internal control system in place to comply with the procurement requirements of the Office of Management and Budget and Iowa Department of Education.

Criteria: The Iowa Department of Education and the District's Procurement Plan require expenditures between \$3,500 and \$150,000 to use the informal procurement method. The informal procurement method requires obtaining a minimum of three price quotes and documenting the reason the successful quote was selected. The Office of Management and Budget 2018 Compliance Supplement requires a system of internal control that complies with 2 CFR section 200.62. A system of internal control is expected to provide a non-Federal entity with reasonable assurance that these objectives relating to compliance with Federal statutes, regulations, and the terms and conditions of Federal awards will be achieved.

Condition: The District did not have a formal procurement plan as required by the Iowa Department of Education for the fiscal year 2018. In addition, the District did not obtain three written quotes for a procurement event exceeding the micro-purchase threshold and did not document compliance with the Iowa Department of Education procurement requirements for the procurement event.

Context: The District did not have the required procurement plan with the new procurement standard elements documentation for fiscal year 2018. The District hired a vendor for a repair procurement event that exceeded \$3,500 and did not document compliance with the informal purchase method.

Effect: The requirements of the Office of Management and Budget and the Iowa Department of Education are not being met. The District may not be obtaining the most competitive pricing.

Cause: The Iowa Department of Education procurement requirements were new in fiscal year 2017 and the District had not yet fully implemented them.

Identification as a repeat finding: This is not a repeat finding.

Recommendation: We recommend the District either complete the Iowa Department of Education's procurement plan annually before the start of each school year or prepare and approve a procurement plan that has all the required elements of the federal standards. We recommend the District establish a process that identifies all procurement events that exceed the micro-purchase level and complete the 3 Bids & Buy form provided by the Iowa Department of Education prior to the work being performed. In addition, we recommend the Director of Nutrition Services monthly obtain a report of total expenditures by vendor and review for vendors that in aggregate are near the micro-purchase threshold to monitor for proper documentation requirements with the next procurement event that may occur.

Response and corrective action plan: The District will implement establish a procurement plan document and process as required. The District will implement a process to document procurement events exceeding the micro-purchase threshold and the requirements of the informal procurement method of the Iowa Department of Education for the Child Nutrition Program.

Linn-Mar Community School District

**Schedule of Findings and Responses
Year Ended June 30, 2018**

Part IV: Other Findings Related to Statutory Reporting

IV-A-18

Certified Budget- Expenditures for the year ended June 30, 2018 did not exceed the amounts budgeted at year-end.

IV-B-18

Questionable Expenditures – No expenditures were noted that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

IV-C-18

Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-18

Business Transactions – No business transactions between the District and District officials or employees were noted except for the following:

Official	Tran	saction Description	Amount
Clark Weaver, Board Member		Substitute teaching	\$887

In accordance with the Attorney General’s opinion dated November 9, 1976, the above transaction does not appear to represent a conflict of interest.

IV-E-18

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 insure that the coverage is adequate for current operations.

IV-F-18

Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-18

Certified Enrollment

Finding: The Department of Management identified variances in certified enrollment certified to the state in October 2017.

Recommendation: We recommend the District review certified enrollment data prior to submission to ensure accuracy of the information certified to the state.

Response and Corrective Action Plan: The District will continue to review data prior to submission.

Conclusion: Response accepted.

IV-H-18

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

Linn-Mar Community School District

**Schedule of Findings and Responses
Year Ended June 30, 2018**

IV-I-18

Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted other than the following:

Finding: The ending balance of a money market depository account exceeded the District’s depository resolution by approximately \$6,000 as of June 30, 2018 due to accrued interest.

Recommendation: The District should update the depository resolution to ensure maximum limits are not exceeded.

Response: The District will update the depository resolution.

Conclusion: Response accepted.

IV-J-18

Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely.

IV-K-18

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

IV-L-18

Statewide Sales and Services Tax – No instances of noncompliance with the use of the statewide sales and services 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 and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2018, the District did not reduce tax levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

Beginning balance	\$	6,623,707
Revenue / transfers in:		
Statewide sales and services tax revenue		6,808,180
Transfers in/other		63,321
Expenditures/transfers out:		
Transfers out		(5,034,982)
Capital outlay for facilities and property and equipment		(2,600,753)
Ending balance	\$	<u>5,859,473</u>



LINN-MAR

Community School District

2999 North Tenth St.
Marion, IA 52302

Shannon Bisgard
Superintendent

Nathan Wear
Associate Superintendent

J.T. Anderson
Chief Financial Officer/Chief
Operating Officer

Leisa Breitfelder
Executive Director of
Student Services

Karla Christian
Chief HR Officer/Executive
Director of Communications

Jeri Ramos
Executive Director of
Technology Services

Sondra Nelson
President
Board of Education

Inspire Learning. **Unlock Potential. Empower Achievement.**

Linn-Mar Community School District

Corrective Action Plan Year Ended June 30, 2018

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Pertaining to the Financial Statements:				
2018-001	The District has insufficient segregation of duties over the payroll process.	See response and corrective action plan at 2018-001.	June 30, 2019	J.T. Anderson
2018-002	The District has insufficient segregation of duties over the disbursement process.	See response and corrective action plan at 2018-002.	June 30, 2019	J.T. Anderson
Findings Pertaining to Federal Awards:				
2018-003	The District does not have an adequate internal control system in place to comply with the procurement requirements of the Office of Management and Budget and Iowa Department of Education.	See response and corrective action plan at 2018-003.	June 30, 2019	Stacy Fish
Findings Pertaining to Statutory Reporting:				
IV-G-18	There were variances in certified enrollment certified to the state in October 2017.	See response and corrective action plan at IV-G-18	June 30, 2019	J.T. Anderson
IV-I-18	The ending balance of a money market depository account exceeded the District's depository resolution.	See response and corrective action plan at IV-I-18	June 30, 2019	J.T. Anderson