

**Iowa City Community School District
Iowa City, Iowa**

Comprehensive Annual Financial Report
Year Ended June 30, 2019

Iowa City Community School District Iowa City, Iowa

Comprehensive Annual Financial Report
Year Ended June 30, 2019

**Official Issuing Report:
Leslie Finger
Director of Budget & Finance, Treasurer**

**Office Issuing Report:
Education Services Center**

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Iowa City Community School District

Educational Services Center

Stephen F. Murley Superintendent of Schools

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November 26, 2019

The Board of Education and Residents
Iowa City Community School District

I am pleased to submit the Comprehensive Annual Financial Report of the Iowa City Community School District (the District) for the fiscal year ended June 30, 2019. The report has been prepared to conform to guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada. The responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with the officials of the District's Central Administration staff. We believe that the data is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position and results of operations of the District as measured by the financial activity of the various funds; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

RSM US LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's basic financial statements for the fiscal year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit compliance. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal District officials. The financial section includes the independent auditor's report, the Management's Discussion and Analysis, the basic financial statements, and the combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

The District was required to undergo a single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular A-133, *Audits of States and Local Governments and Nonprofit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, summary schedule of prior audit findings, the independent auditor's report on internal control over financial reporting and on compliance and other matters, independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance, a schedule of findings and questioned costs and corrective action plan are included in the single audit compliance section of this report.

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

Profile of the Government

In Iowa, school districts operate in accordance with Dillon's Rule with local control and have fiscal independence from other governmental entities. The District operates in compliance with the accounting principles generally accepted in the United States of America (GAAP) and currently prepares its financial statements per the Governmental Accounting Standards Board (GASB) Statement No. 34.

The Iowa City Community School District is a political subdivision of the state of Iowa and operates public schools for children in grades pre-school through twelve. The District is governed by a seven member Board of Education whose members serve four year terms and are elected on a nonpartisan basis. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators.

The Iowa City Community School District serves nearly 115,000 people who live in Iowa City, Coralville, University Heights, Hills and North Liberty and the surrounding predominately agricultural territory in central Johnson County. Covering nearly 133 square miles, the District has developed around the City of Iowa City and The University of Iowa. The District has experienced consistent growth over the last 20 years, growing from 10,619 in 1999 to 14,573 in October 2019. The District is currently the fifth largest public school in the state of Iowa.

The District operates three comprehensive high schools, an alternative high school, three junior high schools, 21 elementary schools and center for offsite programs. The District also maintains a maintenance/warehouse facility, three athletic complexes and an administrative office/professional development center. The Iowa City Community School District provides a comprehensive educational program appropriate to students in early childhood and grades pre-school through twelve. These services include basic, regular and enriched academic education, special education, vocational education and numerous individualized programs such as instruction for students at-risk, gifted and talented or limited English proficiency (LEP).

Relevant financial policies

The Iowa City Community School District operates under the laws as defined in the Code of Iowa and policies as determined by the local Board of Directors. A comprehensive accounting system is promulgated by the Iowa Department of Education including account numbers for revenues and expenditures by function and object. The District additionally tracks revenues by source of funds and expenditures by location, curricular program and funding source. Annual budgets are provided to the Department of Management and annual financial reports are provided to the Iowa Department of Education in their prescribed formats. Periodic financial reports are submitted to the Iowa Department of Education or other granting agencies for many federal and state grants.

The Iowa City Community School District's Board of Education takes its fiduciary responsibility very seriously. It has adopted policies defining a budgeting process, quarterly financial reporting, purchasing, facilities planning, insurance and cash management. Idle cash is invested in Board approved allowable investments which include certificates of deposit, money markets and pooled investment trusts. A quarterly investment report is provided indicating performance of investments to a comparative benchmark.

Economic Condition and Outlook

The District is located in the eastern part of the state, within the larger Iowa City metropolitan area and ranks as one of the top growth areas of the state. The economic condition and outlook of the District has remained strong during the past ten years despite some economic downturns experienced in many areas, including several years of high economic growth and steady enrollment growth in the local area. This growth has had a positive effect on employment and the District's tax base. The District has experienced steady increases in its tax base over the past 25 years and continued with an increase during 2019 of more than three percent.

Major employers within the District include The University of Iowa and The University of Iowa Hospitals and Clinics, American College Testing and Pearson Educational Measurement as well as two other hospitals. These employers provide a strong employment base in the education and health care industries. The unemployment rate of the Iowa City area is consistently one of the lowest in the state of Iowa and well below national averages even during periods of recessionary trends. In addition, the Iowa City area is served by two nearby regional airports and two major interstate highways. The economic development organizations of Johnson County have teamed with similar organizations in Linn County to the north to develop a "technology corridor" which combines the strong health care and education industries of Johnson County with numerous manufacturing and financial service organizations in Linn County for a wide range of economic and employment opportunities. Iowa City is also consistently promoted in major business publications as one of the best places in the United States for business, schools and quality of life. These recognitions include a #3 ranking for best place to live in America by Outside Magazine in August 2016, #2 ranked "Least Stressed City in U.S." by Smartasset.com in June 2016, #1 for "Best College Town in America" by reviews.org in 2018, #5 "Healthiest City in America" by 24/7 Wall Street in 2016, #4 on the "Best Places to Live" by Liveability.com in 2018 and #1 state in the Country by USNews in 2018. The area has also been recognized for its quality as a best college town, city for college grads and workforce quality by various sources. Iowa City was also designated by UNESCO as the world's third City of Literature in 2008, the only designation in North or South America and is home to the International Writing Program. In April 2018, MSN Money named Iowa City Community School District the #1 school district in the state using an index that measures child poverty, per-pupil expenditure, graduation rate, teachers per student, percentage of adults with a bachelor's degree, preschool enrollment and advanced placement enrollment.

The tax base for the area is estimated to continue to grow in the three percent range. The District has experienced an enrollment growth of over 1,800 students over the last seven years. Future projections indicate a continued trend for enrollment increases, however, a slower annual rate is expected over the next five years. The District has experienced an increase in its October 2019 official enrollment of approximately 280 students.

Retail sales, building permits and population increases in the area continue to exceed that of most other areas in the state of Iowa during the past several years. Future increases are projected to continue, however economic conditions on the national and state levels in the area will impact local growth levels. A large percentage of the past area increases have occurred within the School District boundaries.

The District's budget is largely dependent on the Iowa school funding formula and various economic factors. For the years 2001-2011, the state of Iowa experienced economic conditions that hampered its ability to fund schools at annual levels of approximately four percent as in prior years. This period included an across the board reduction of \$5,600,000 from the Governor's executive order which the District used its General Fund balance to absorb the reduction. The District also implemented a cash reserve levy for fiscal year 2011 to partially replenish the fund balance and the District maintained significantly all of its programs and services during these conditions. During the last seven years, the state legislature has provided annual growth from zero to four percent. The impact on future periods is unknown as funding is determined on an annual basis by the Iowa Legislature.

The District serves the nearly 14,300 students in buildings built from 1917 to 2019. The District has maintained a building envelope and roof maintenance program for many years to monitor the physical considerations of its facilities. District officials developed a 10 year facility master plan in 2013 for planning the maintenance and capital project needs of the district, including life cycle programs for major maintenance and equipment needs, remodeling and renovation of existing facilities and the construction of new facilities throughout the District. This facility plan has been followed and current projects indicate the plan will be completed in 2021.

The District has completed numerous construction projects during the last ten years. A new gymnasium and classroom addition at South East Junior High was completed and placed in service in October 2008. The District opened Buford Garner Elementary for classes in August 2010. The District completed a major addition on Horn Elementary that was opened in August 2011 and Norman Borlaug Elementary School was opened for classes in August 2012. The District has also completed construction of a fine arts addition at City High School that opened in August 2013. The District opened Alexander Elementary School in August 2015 and completed major additions on three elementary schools and an eight classroom addition at City High School during 2015-2016. Liberty High School, a third comprehensive high school in North Liberty, Iowa was opened for in August 2017 with a total cost of nearly \$57 million. Athletic complexes and additional classroom space will be constructed in future years to accommodate student growth and will be funded from general obligation bonds as approved by district voters in September 2017. The District also completed construction of a new elementary school in August 2017 that has been used for two years to serve students from three elementary schools during the historical renovations of those facilities. Construction of a new elementary school in North Liberty was completed in August 2019 and major additions and renovations have started on City High School and West High School.

During 2006, the U.S. Green Building Council awarded the District a silver certificate for Leadership in Energy and Environmental Design (LEED) in connection with the construction of James Van Allen Elementary School. In 2013, the district received an Excellence in Energy Efficient Design award for the efforts in reducing energy use for Norman Borlaug Elementary School. The District has also received energy efficiency awards for the recent renovations of Twain, Weber and Penn Elementary School and construction of Alexander Elementary School, Hoover (east) Elementary School and Liberty High School.

The District owns parcels of land of 18 and 42 acres in the northern portion of the District for the future construction of school facilities. During the year ending June 30, 2014, the District purchased land for Alexander Elementary School that opened in August 2015 and Hoover (east) Elementary School that opened in August 2017 and Liberty High School completed in August 2017. The District also purchased the land and building utilized by the District's transportation provider. In July 2016, the District purchased a parcel of land containing approximately 18 acres near North Liberty for the construction of Grant Elementary School that opened in August 2019. The District has also purchased two units previously leased for one its special education programs. In August 2019, the District purchased a warehouse building adjacent to the transportation facility which will replace a leased warehouse facility.

In February 2007, the residents of Johnson County approved a resolution and Revenue Purpose Statement for a 1 percent local option sales tax for a period of 10 years that began on July 1, 2007. The sales tax resulted in revenues of approximately \$13-14 million annually for the first five years, \$10 million annually for several years, but have returned to amounts exceeding \$13 million due to growth in the state's economy. In February 2013, district voters approved the extension of the sales tax Revenue Purpose Statement through June 30, 2029. The District is using these sales tax revenues to fund various projects in the facility master plan as allowed in the Code of Iowa and the approved Revenue Purpose Statement.

The high schools provide a full selection of opportunities in their music departments. Each year, the District has a high number of all-state musicians in addition to consistently earning Division I ratings at state contests. City High and West have both earned at least one Grammy Award for their music department in recent years.

The three comprehensive high schools offer athletic programs in 19 different sports. State championship honors have been earned in boys' soccer, tennis, swimming and basketball while state placing went to boys' and girls cross country, football, track, volleyball and girls' tennis and basketball during the last four years. The District's three junior high schools also offer athletic programs in 10 different sports.

The high schools also support strong programs in math, debate and journalism that regularly receive state, regional and national recognition.

Students of the District continue to achieve high rankings on college entrance exams and are recognized as National Merit Scholars. The composite averages on these exams are consistently in the top 5 percent of the state and significantly exceed the national averages. These students achieved a graduation rate over 90 percent in 2018 with over 8 percent planning to continue their education at postsecondary schools or other training opportunities.

Other Financial Information

Management of the District is responsible for establishing and maintaining an internal control designed to ensure that its assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county financial assistance, the District also is responsible for ensuring that an adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and external auditors.

As a part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal awards programs. The results of the District's single audit for the fiscal year ended June 30, 2019 provided no violations of applicable laws and regulations.

Budgetary Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, enterprise funds and Capital Projects Fund are included in the annual appropriated budget by program. Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of statutory budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level for all funds combined rather than at the individual fund level.

Basis of Presentation. The charts and accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records conform to the Uniform Accounting System for Iowa Schools, Chapter 11 of the Code of Iowa and Area Educational Agencies issued by the Department of Education, state of Iowa. The chart of accounts manual is updated annually and the District is in full compliance with these requirements.

Cash Management. Cash, while temporarily idle during the year, was invested in money market deposit accounts and other short term investments as allowed by law. Interest rates have started to rise over previous year rates and the district was able to increase its interest revenue compared to amounts received in previous years. This aspect of the District's finances has gained importance in recent years as the District has sought to maximize the yield on our investments in accordance with the Board approved investment policy without forfeiting the use of fund balances.

Risk Management. The District utilizes a single medical care facility and dedicated physician program for its workers compensation program to lower the claim expense and experience modification factor as it relates to workers' compensation. A safety committee has been operational for several years and meets periodically to review the District's facilities and programs. The District manages a self-funded health insurance plan for its employee medical and prescription program. The health plan is funded at the maximum expected claim levels and coverage for individual and aggregate stop loss coverage is purchased by the plan. The District is also managing the health plan in accordance with the provisions of the Patient Protection and Affordable Care Act.

Awards and Acknowledgments

Independent Audit. The accounting firm of RSM US LLP was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement in Financial Reporting and the Association of School Business Officials International, (ASBO) awards a Certificate of Excellence in Financial Reporting. The Iowa City Community School District received both of these Certificates for its comprehensive annual financial report for the fiscal year ended June 30, 2018. Each 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 Certificates, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

These Certificates are valid for a period of one year only. The Iowa City Community School District has received these awards for the thirteen previous fiscal years Comprehensive Annual Financial Report. I believe that our current CAFR conforms to the requirements for both awards and, therefore, we are submitting to the GFOA and ASBO to determine its eligibility for each Certificate. The Iowa City Community School District had not applied for the Certificates in any years prior to 2006.

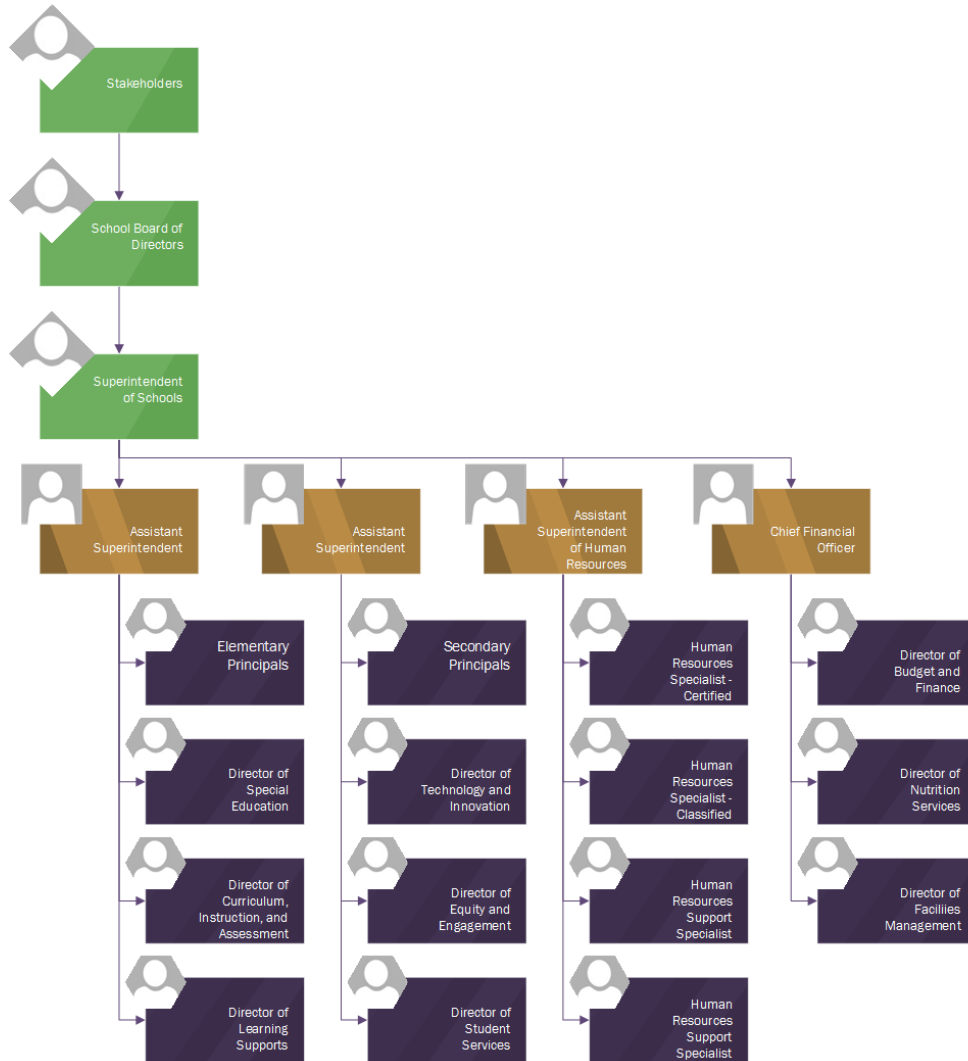
Acknowledgment: The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the accounting staff and our auditors, RSM US LLP. I would like to express my appreciation to all staff members who assisted and contributed to this report as well as members of city and county governments. Also, appreciation is expressed for the interest and support of the Board of Education in conducting the financial operations of the District in a most responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Leslie Finger".

Leslie J. Finger
Director of Budget and Finance, Treasurer

Iowa City Community School District Organizational Chart



Iowa City Community School District

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

Board of Education

For the Period July 1, 2018 to June 30, 2019:

Name	Title	Term Expires
Janet Godwin	President	September 2021
Lori Roetlin	Vice President	September 2019
J.P. Claussen	Board Member	September 2021
Shawn Eyestone	Board Member	September 2019
Phil Hemingway	Board Member	September 2019
Ruthina Malone	Board Member	September 2021
Paul Roesler	Board Member	September 2019

School District Officials

Stephen Murley	Superintendent	
Craig Hansel	Secretary	Appointed, retired June 30, 2019
Leslie J. Finger	Treasurer	Appointed
Joe Holland	Attorney	Appointed



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Iowa City Community School District

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.

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



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

Tom Wohleber, CSRM
President

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

Siobhán McMahon, CAE
Chief Operating Officer



Government Finance Officers Association

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

Presented to

Iowa City Community School District

Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



RSM US LLP

Independent Auditor's Report

To the Board of Education
Iowa City Community School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Iowa City Community School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedule of the District's proportionate share of the net pension liability and schedule of District contributions for the Iowa Public Employees' Retirement System, the schedule of changes in the District's total other postemployment benefit plan liability and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining nonmajor governmental fund financial statements and statement of changes in fiduciary assets and liabilities—agency funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

RSM US LLP

Davenport, Iowa
November 26, 2019

Iowa City Community School District

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

Iowa City 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, 2019. We encourage readers to consider this information in conjunction with the District's financial statements.

Financial Highlights

Total net position increased \$9,954,747 from \$197,667,574 in 2018 to \$207,622,321 in 2019. Total revenues for the fiscal year 2019 increased \$15,390,080 from 2018. Total expenses increased from \$203,959,860 in 2018 to \$212,130,128 in 2019.

General Fund revenues increased from \$162,894,810 in fiscal year 2018 to \$166,434,612 in fiscal year 2019, while General Fund expenditures increased from \$165,761,057 in fiscal year 2018 to \$172,395,991 in fiscal year 2019. In addition, the District transferred \$250,000 to other funds during fiscal year 2019. This resulted in a decrease in the District's General Fund balance from \$21,111,423 in fiscal year 2018 to \$14,900,044 in fiscal year 2019.

The increase in General Fund revenues for fiscal year 2019 was attributable to an increase in property tax revenues and 1% supplemental state aid (formerly allowable growth) as provided in the state funding formula by the Iowa Legislature. The increased expenditures in the General Fund were due to increases to staffing for increased enrollment and providing a full curricular program for Liberty High School which opened in August 2017.

Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
 - ✓ The governmental fund statements explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.
 - ✓ The statements for proprietary funds offer short-term and long-term financial information about the activities the District operates like businesses, such as food services.
 - ✓ The statements for fiduciary funds provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

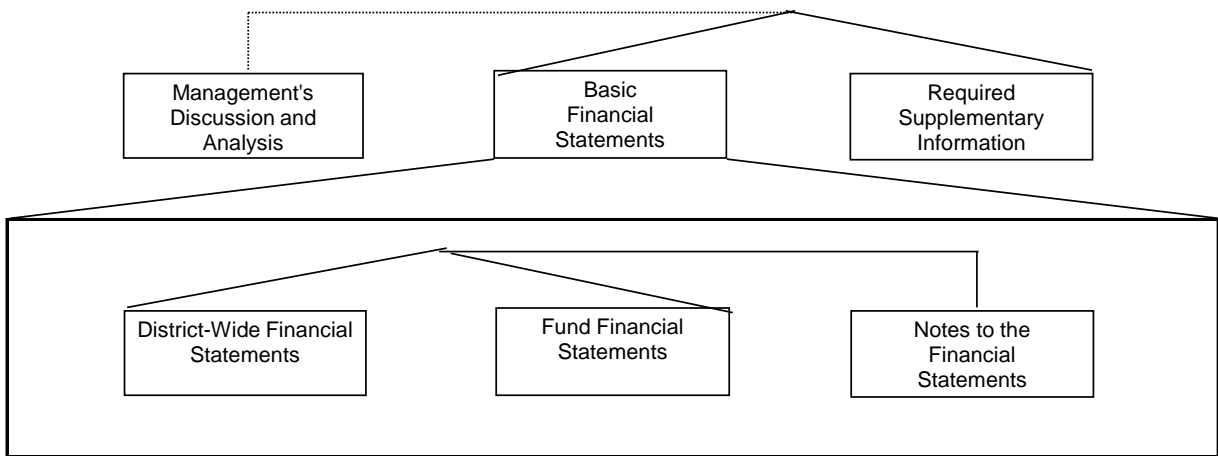
Iowa City Community School District

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

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

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

Figure A-1
Iowa City Community School District Annual Financial Report



Iowa City Community School District

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

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

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: food services and adult education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of fund 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

Iowa City Community School District

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

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – are one way to measure the District's financial health or position. To assess the District's overall health, you need to consider additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

For 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 tax and state aid finance most of these activities.
- **Business-type activities:** The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included as a business-type activity.

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 accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has three kinds of funds:

- **Governmental funds.** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental 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 following the governmental fund statements explains the relationship or differences between the two statements.
 - ✓ The District's governmental funds include the General Fund, Physical Plant and Equipment Levy Fund, Management Fund, Student Activity Fund, Debt Service Fund and two Capital Projects Funds.
- **Proprietary funds.** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.
 - ✓ The District's enterprise fund, one type of proprietary fund, is encompassed in the District's business-type activities, but provide more detail and additional information, such as cash flows. The District currently has one enterprise fund, the School Nutrition Fund.

Iowa City Community School District

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

- ✓ Internal service funds, the other type of proprietary fund, are optional and available to report activities that provide supplies and services for other District programs and activities. The District currently uses an Internal Service Fund to account for its self-insured health insurance and dental insurance funds.
- Fiduciary funds. The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust and Agency funds.
 - ✓ Private-Purpose Trust Fund – The District accounts for assets for scholarships for individual students in this fund according to the terms of the donor's request.
 - ✓ Agency Fund – These are funds for which the District administers and accounts for certain assets in a fiduciary capacity as an agent on behalf of others.

The District is responsible for ensuring that the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Net position: Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2019 compared to 2018:

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Change 2019-2018
	2019	2018	2019	2018	2019	2018	
Current and other assets	\$ 237,057,659	\$ 230,068,610	\$ 3,699,282	\$ 3,228,431	\$ 240,756,941	\$ 233,297,041	\$ 7,459,900
Capital assets	408,890,987	339,407,593	514,491	543,571	409,405,478	339,951,164	69,454,314
Total assets	645,948,646	569,476,203	4,213,773	3,772,002	650,162,419	573,248,205	76,914,214
Deferred outflows of resources	29,050,885	28,574,364	586,177	888,435	29,637,062	29,462,799	174,263
Long-term obligations	308,799,228	249,101,277	1,824,067	1,748,090	310,623,295	250,849,367	59,773,928
Other liabilities	53,810,336	52,191,031	542,535	505,119	54,352,871	52,696,150	1,656,721
Total liabilities	362,609,564	301,292,308	2,366,602	2,253,209	364,976,166	303,545,517	61,430,649
Deferred inflows of resources	107,105,517	101,128,483	95,477	369,430	107,200,994	101,497,913	5,703,081
Net position:							
Net investment in							
capital assets	257,625,723	232,565,407	514,491	543,571	258,140,214	233,108,978	25,031,236
Restricted	6,960,886	3,457,317	-	-	6,960,886	3,457,317	3,503,569
Unrestricted	(59,302,159)	(40,392,948)	1,823,380	1,494,227	(57,478,779)	(38,898,721)	(18,580,058)
Total net position	\$ 205,284,450	\$ 195,629,776	\$ 2,337,871	\$ 2,037,798	\$ 207,622,321	\$ 197,667,574	\$ 9,954,747

The District's total assets increased by 13.4% during the year ended June 30, 2019. The increase occurred primarily as a result of the investment in capital assets as detailed in Note 5. During the year ended June 30, 2019, the District completed a historical renovation of an elementary school, construction on the athletic facilities at the new high school and completion of Phase I renovations at West High School as part of the ten year facility master plan. The District also expended approximately \$1,000,000 for furniture, fixtures and equipment for the new facilities. In addition, the District expended approximately \$55,000,000 for construction of a new elementary school, historical renovations of two elementary schools and remodeling at two junior high schools that will be completed in the next year.

Iowa City Community School District

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

Deferred outflows of resources increased by \$174,263, primarily from amounts recorded for the IPERS defined benefit pension program as detailed in Note 7.

Long-term obligations and other liabilities increased by \$59,773,928 and \$1,656,721 respectively, compared to the prior year. During the year ending June 30, 2019, the District issued over \$66,000,000 of bonds to fund its ten-year facility master plan as detailed in Note 6 to the financial statements. Long-term obligations also increased by approximately \$3,100,000 for amounts recorded for postemployment benefits in accordance with GASB 75 and changes in the net pension liabilities as detailed in Note 7.

The total net position of the District's business-type activities increased by \$300,073 over the prior year's balance. This increase is due primarily to increased revenues of the District's nutrition program and control of food and negotiated personnel costs.

Changes in net position – Figure A-4 shows the changes in net position for the years ended June 30, 2019 and 2018:

Figure A-4
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for service and sales	\$ 2,391,978	\$ 2,157,635	\$ 2,819,280	\$ 2,659,506	\$ 5,211,258	\$ 4,817,141
Operating grants and contributions	27,383,727	26,877,570	4,021,884	3,912,283	31,405,611	30,789,853
Capital grants and contributions	145,597	904,490	-	-	145,597	904,490
General revenues:						
Property taxes	99,804,735	88,006,323	-	-	99,804,735	88,006,323
Sales tax	14,300,041	13,165,538	-	-	14,300,041	13,165,538
Unrestricted state grants	67,212,823	65,993,465	-	-	67,212,823	65,993,465
Unrestricted investment earnings	2,782,746	1,379,124	34,350	16,996	2,817,096	1,396,120
Other	1,187,714	1,621,865	-	-	1,187,714	1,621,865
Total revenues	215,209,361	200,106,010	6,875,514	6,588,785	222,084,875	206,694,795
Expenses:						
Governmental activities:						
Instruction	132,870,361	127,747,232	-	-	132,870,361	127,747,232
Support services	66,570,948	65,119,000	-	-	66,570,948	65,119,000
Noninstructional programs	651,022	745,049	-	-	651,022	745,049
Other expenses	5,462,356	3,866,591	-	-	5,462,356	3,866,591
Business-type activities,						
nutritional services	-	-	6,575,441	6,481,988	6,575,441	6,481,988
Total expenses	205,554,687	197,477,872	6,575,441	6,481,988	212,130,128	203,959,860
Change in net position	9,654,674	2,628,138	300,073	106,797	9,954,747	2,734,935
Net position, beginning of year	195,629,776	193,001,638	2,037,798	1,931,001	197,667,574	194,932,639
Net position, end of year	\$ 205,284,450	\$ 195,629,776	\$ 2,337,871	\$ 2,037,798	\$ 207,622,321	\$ 197,667,574

Property and sales taxes and unrestricted state grants account for 82% and 81% of the total revenue for the years ended June 30, 2019 and 2018, respectively. The District's expenses primarily relate to instruction and support services which account for 94% and 95% of the total expenses for the years ended June 30, 2019 and 2018, respectively.

Iowa City Community School District

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

Governmental Activities

Revenues for governmental activities were \$215,209,361 and expenses were \$205,554,687. This difference of \$9,654,674 was used primarily for the repayment of the general obligations bonds and capital loan notes. Revenues in the governmental activities increased approximately \$15,100,000 or 7.5% over 2018. Most of this increase is from property taxes and state sources as provided through the school funding formula and supplemental state aid and property taxes levied for the repayment of general obligation bonds. In addition, investment earnings increased approximately \$1,400,000 compared to 2018 due to investment of idle funds, higher interest rates and bond funds received in the capital projects funds.

The increase in expenses in governmental activities of \$8,076,815 or 4.1% is related to expenses for increased instructional staff and operating costs of the new high school, increased salary and benefits from negotiated contract settlements and amounts recorded as pension expense. The District also recorded \$1,511,261 in the current year for other postemployment benefit liabilities which are attributable to the statutory requirement that the District allows retirees the ability to purchase District sponsored health insurance at the employee’s own cost. The District does not offer any voluntary postretirement benefits.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, noninstructional programs and other expenses.

**Figure A-5
Total and Net Cost of Governmental Activities**

	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 132,870,361	\$ (109,931,253)	\$ 127,747,232	\$ (105,373,848)
Support services	66,570,948	(59,588,754)	65,119,000	(57,552,689)
Noninstructional programs	651,022	(651,022)	745,049	(745,049)
Other expenses	5,462,356	(5,462,356)	3,866,591	(3,866,591)
Totals	\$ 205,554,687	\$ (175,633,385)	\$ 197,477,872	\$ (167,538,177)

- The cost financed by users of the District's programs was \$2,391,978 for 2019 and \$2,157,635 for 2018. This increase was primarily from an increase in tuition received from services provided to students from other school districts.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$27,529,324 for 2019 and \$27,782,060 for 2018. The District had an increase in grants and contributions was provided through the Aid & Levy calculations for the state funding formula, however, a reduction in energy rebates from completed renovation projects in prior years offset the increase in grants and contributions.
- The remaining net cost of governmental activities was financed with property tax, sales tax, state foundation aid and investment earnings.

Iowa City Community School District

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

Business-Type Activities

Revenues of the District's business-type activities were \$6,841,164, excluding \$34,350 of investment earnings, and expenses were \$6,575,441. The District's business-type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and interest income. Revenues increased by approximately 4.4% due to an increase in the number of meals served from the higher student participation levels and higher reimbursement rates from federal and state programs compared to prior years. Expenses increased by 1.4% due to additional food and supply costs to serve the increased participation and increased staff costs from negotiated settlements and addition of a new kitchen at Liberty High School.

Financial Analysis of the District's Funds

As previously noted, the Iowa City Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund highlights: The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$83,909,880 which was a decrease of \$1,922,745 from last year's ending fund balances of \$85,832,625. The primary reason for the net decrease in combined fund balances in fiscal year 2019 is due sales tax revenue bonds and general obligation bonds sold in prior years utilized to fund projects in the facility master plan.

- The District's General Fund financial position is the product of many factors. The primary factor resulting in the General Funds decreased balance for the year ending June 30, 2019 was due to the District's staffing of new facilities and related operating costs and increased enrollment for fiscal year 2019.
- The GO Bond Fund balance was added in fiscal year 2018 to account for the general obligation bonds sold in December 2017 and the construction expenditures of the District's ten year facility master plan. Bond sale proceeds and related investment earnings provided approximately \$68 million with approximately \$63 million expended for projects in the facility plan.
- The Capital Projects Fund balance decreased from a balance of \$9,837,463 in fiscal year 2018 to \$4,104,780 in fiscal year 2019. This decrease is primarily due to the use of sales tax revenue bonds sold in prior years used to fund construction expenditures as part of the District's ten year facility master plan.

Proprietary fund highlights: The School Nutrition Fund's net position increased from \$1,041,333 as of June 30, 2018 to \$1,148,724 as of June 30, 2019, representing an increase of approximately 10.3% for 2019 compared to a decrease of 2.5% for 2018. The increase was primarily due to the increased student participation levels and higher reimbursement rates while controlling staffing and food costs.

The Internal Service Fund for the District's self-insured health insurance fund and dental insurance funds increased net position from \$16,110,838 in 2018 to \$18,518,717 in 2019. This increase was due to increased charges for services (premiums) from additional employees on the plans and the decrease to the liability for unpaid claims as of June 30, 2019.

Iowa City Community School District

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

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a certified budget following required public notice and hearing for all funds, except its internal service, private-purpose trust and agency funds. 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 certified budget is prepared on the GAAP basis. Over the course of the year, the District amended its annual (operating) budget one time to reflect additional revenue and expenditures associated with programs and activities added or changed during the fiscal year. A schedule showing the original certified and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report.

Legal budgetary highlights: The District's total actual revenues were \$3,111,183 greater than the total budgeted revenues, a variance of 1.42% from the final budget.

Total expenditures were less than budgeted. It is the District's practice to budget expenditures at the maximum authorized spending authority as defined by the Code of Iowa. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed the actual expenditures during the year. In addition, the Board of Directors has utilized a resource allocation model to manage the expenditure levels with available resources and to address the educational needs of the district's student enrollment. The increased expenditures related to the budget were primarily in the other expenditure category due to construction expenditures as planned in the District's facility master plan and funded by sales tax revenue bonds in fiscal years 2015 to 2018 and general obligation bonds in 2017 to 2019.

Capital Asset and Debt Administration

Capital assets: As of June 30, 2019, the District had invested \$409 million, net of accumulated depreciation, in the broad range of capital assets, including land, buildings, athletic facilities, computers and equipment. (See Figure A-6) This amount represents a net increase of \$69 million from last year. More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation expense for the year was \$10,415,909.

The original costs of the District's capital assets were approximately \$524.7 million. Governmental funds account for approximately \$522.9 million with the remainder of \$1.8 million in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the building and construction in progress categories. The building category increased primarily from the completion of renovations and improvements at Longfellow Elementary School and West High School. The construction-in-progress category increased due to historical renovations for Mann and Lincoln Elementary Schools, remodeling of two junior high schools and construction of Christine Grant Elementary School with expected completion in the next fiscal period.

Figure A-6
Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total School District		Total Change
	2019	2018	2019	2018	2019	2018	2019-2018
Land	\$ 14,851,360	\$ 11,862,498	\$ -	\$ -	\$ 14,851,360	\$ 11,862,498	\$ 2,988,862
Construction-in-progress	99,763,845	55,138,136	-	-	99,763,845	55,138,136	44,625,709
Buildings	271,880,350	250,030,429	-	-	271,880,350	250,030,429	21,849,921
Improvements other than buildings	16,698,595	16,639,094	-	-	16,698,595	16,639,094	59,501
Furniture and equipment	5,696,837	5,737,436	514,491	543,571	6,211,328	6,281,007	(69,679)
Total	\$ 408,890,987	\$ 339,407,593	\$ 514,491	\$ 543,571	\$ 409,405,478	\$ 339,951,164	\$ 69,454,314

Iowa City Community School District

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

Long-Term Debt: As of June 30, 2019, the District had \$228.6 million in general obligation and other long-term debt outstanding. This represents an increase of approximately \$54.9 million from last year. The increase in the early retirement obligation is due to an increase in the number of employees accepting the District's early retirement incentive in 2018 than 2017 as part of management's plan to reduce and control General Fund expenditures. The increase in general obligation bonds was related to the District's issuance of \$66,645,000 of bonds in January 2019. Capital loan notes decreased by approximately \$835,000 from the previously stated maturities. (See Figure A-7) More detailed information about the District's long-term liabilities are available in Note 6 to the financial statements.

**Figure A-7
Outstanding Long-Term Obligations**

	Total School District		Total Change
	2019	2018	2019-2018
General obligation bonds	\$ 115,095,000	\$ 58,955,000	\$ 56,140,000
Premium on general obligation bonds	7,882,663	3,384,862	4,497,801
Discount on general obligation bonds	-	(73,328)	73,328
Capital loan notes	5,355,000	6,190,000	(835,000)
Sales tax revenue bonds	90,270,000	97,780,000	(7,510,000)
Premium on sales tax revenue bonds	2,589,513	3,118,395	(528,882)
Capital lease	752,915	1,115,393	(362,478)
Early retirement	5,962,182	2,366,466	3,595,716
Compensated absences	728,277	859,001	(130,724)
Totals	\$ 228,635,550	\$ 173,695,789	\$ 54,939,761

Factors Bearing on the District's Future

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

- The District received supplemental state aid (formerly allowable growth) of 2% and a one-time 2% supplemental state aid allocation for fiscal year 2014 and supplemental state aid at 4%, 1.25%, 2.25%, 1.11% and 1% for fiscal years 2015, 2016, 2017, 2018, and 2019 respectively. For the fiscal year 2020, the District received supplemental state aid of 2.06%. The Iowa Legislature will take up the issue to determine the level of the supplemental state aid for FY2021 and beyond starting in their January 2020 session. As the District's General Fund budget is comprised of approximately 85% salary and benefits, wage and salary adjustments realized through the negotiations process will have a significant impact on future budget spending decisions. In February 2017, significant legislative changes to Chapter 20 of the Code of Iowa as it relates to formal negotiations were enacted. The impact of these changes on wage and salary adjustments has not been significant to date, however, the District continues to review the flexibility for control of these expenditures.

Iowa City Community School District

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

- The Iowa school funding formula is highly dependent upon student enrollment. The District has experienced enrollment growth of 321, 386, 168, 343, 309, 213 and 86 students in the last seven years, respectively. The enrollment growth of approximately 280 students in fiscal year ending 2020 will assist the District's budget in fiscal year ending 2021. The enrollment increase of over 2,000 students in the last eight years have required additional staff and materials for educational programs and the demand for additional space to the existing facilities and construction of new facilities. New facilities as well as additions and renovations to existing facilities are included in the District's Facility Master Plan and will also increase expenditures related to utilities, custodial, maintenance and support staff. The District utilizes a demographer to assist with projecting future enrollment increases with updates provided to the District every two years. The next demographer report is anticipated to be completed in December 2019 and will be used to develop long range budgets and facility needs.
- The District has issued General Obligation Bonds of \$125,600,000 to fund identified construction and renovation projects of the Facility Master Plan. During fiscal year 2019, the District expended approximately \$63 million of these funds for projects at Lincoln Elementary School, Mann Elementary School, renovation at West High School, construction of Grant Elementary School and the construction of athletic facilities at Liberty High School, which were opened in August 2019. In addition, the District initiated design and construction work on the remaining projects of the Facility Master Plan with final construction expected to be completed by August 2021.
- The District sold Capital Loan Notes of \$9,435,000 in December 2014. The proceeds from the sale of these Notes funded various construction projects in the Facility Master Plan and will be repaid from the existing Physical Plant and Equipment Levy (PPEL) through 2025. In addition, the District sold School Infrastructure Sales, Services and Use Tax Revenue Bonds of approximately \$60 million in September 2015, \$10,000,000 in December 2016, \$11,185,000 in January 2017, \$21,200,000 in August 2017 and \$9,085,000 in June 2018. These revenue funds have been used for projects at Coralville Central Elementary, Lucas Elementary School, City High School, construction of Liberty High School and Hoover (East) Elementary School and major renovation projects at Lucas Elementary School and West High School. The Revenue Bonds will be repaid from sales tax revenues collected through 2029.
- Liberty High School, a new comprehensive high school, was opened in August 2017 with a cost of approximately \$57 million and an enrollment of 740 students. In addition to the building, the District completed the construction of the football and track stadium in August 2018 and construction of athletic venues for soccer, softball and baseball near the high school building will be used for the 2019-20 school year. The District anticipates student attendance at Liberty will approach 1,500 students by 2020 and had started construction of additional classroom space to accommodate this enrollment growth. The classroom space addition to accommodate the student growth was planned for completion in August 2023 in the original Facility Master Plan, however, student growth has accelerated this project for completion in August 2020. This will require increased expenditures for instructional staff, support and custodial expenditures in future fiscal years.
- The enrollment increases experienced in recent years has included significant additional student needs for students requiring English language learning programs. The District has hired additional staff with the appropriate certifications to serve these students. The District expended approximately \$1,900,000 more during the year ended June 30, 2019 than direct categorical program revenue. The District will continue to request additional modified supplemental spending authority for this Limited English Program deficit from the School Budget Review Committee to support these expenditures in future periods.

Iowa City Community School District

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

- The District provides health insurance to its employees utilizing a self-funded insurance plan with specific and aggregate reinsurance coverage as required by the State of Iowa. The District's plan is subject to various insurance coverage and reporting provisions of the Patient Protection and Affordable Care Act (ACA) and the District believes its plan complies with all coverage and reporting requirements of the ACA. The transitional reinsurance fees included in the ACA rules are being paid from the current premium levels of the self-funded plan and the District anticipates the impact of the coverage and reporting rules to be minimal based upon existing insurance benefits offered to its staff. However, the health insurance industry continues to operate in an extremely uncertain and rising cost environment and the District will continue to monitor the potential impact of any changes on the plan and its employees.
- The ten year Facility Master Plan, originally approved in December 2013 and subsequently updated in April 2015, February 2017 and February 2019, includes nearly \$122 million of future construction and renovation projects. On September 12, 2017, taxpayers within the District approved a bond referendum authorizing \$191,925,000 of general obligation bonds to fund the projects in the Facility Master Plan. The District anticipates the sale of approximately \$66 million of general obligation bonds in January 2020 to fund the remaining renovation projects and additions of the Facility Master Plan at all three junior high buildings, City High School and several elementary buildings. This anticipated bond sale represents the third and final sale from the approved 2017 referendum.
- The district completed the construction of Christine Grant Elementary School in North Liberty in August 2019. This is the final new building included in the current Facility Master Plan. This new 600 student elementary building will decrease the overcrowded conditions currently at Penn, Garner, and Van Allen elementary schools. It will also provide for much needed growth capacity in the North Liberty area, one of the fastest growing communities in Iowa. Additional General Fund expenditures are estimated to be \$550,000 for staffing, maintenance and utilities will result from opening this building. The completion of this building and the Board of Directors completion of attendance areas during the year ending June 30, 2019 will provide more efficient staffing and transportation expenditures in future years.
- State legislators approved the extension of SAVE during the 2019 legislative session from 2029 to 2050. The extension is estimated to provide the District with additional borrowing capacity for as much as \$145 million for facility improvement projects with \$35 million being available as early as October 2022. The Board of Education has the option, and could choose to use the annual SAVE revenue stream to pay down general obligation bond debt rather than spending on additional facility related projects. The legislative action requires districts to submit a new revenue purpose statement (RPS) to its voters prior to expending funds received from the extension period or related to certain improvements to district athletic facilities. The District's current RPS is valid until 2029.

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 Leslie Finger, District of Budget & Finance and Treasurer, Iowa City Community School District, 1725 North Dodge Street, Iowa City, Iowa 52245.

Iowa City Community School District

Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents, and investments	\$ 126,258,459	\$ 2,270,855	\$ 128,529,314
Restricted Cash	3,205,668	-	3,205,668
Receivables:			
Property tax:			
Current year	325,778	-	325,778
Succeeding year	95,100,386	-	95,100,386
Income surtax	7,117,360	-	7,117,360
Sales taxes	424,339	-	424,339
Other	735,878	-	735,878
Due from other governments	3,528,939	21,163	3,550,102
Internal balances	(1,206,211)	1,206,211	-
Inventories	-	124,548	124,548
Prepaid expenses	1,567,063	76,505	1,643,568
Total current assets	237,057,659	3,699,282	240,756,941
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	14,851,360	-	14,851,360
Construction-in-progress	99,763,845	-	99,763,845
Depreciable capital assets, net of accumulated depreciation	294,275,782	514,491	294,790,273
Total noncurrent assets	408,890,987	514,491	409,405,478
Total assets	645,948,646	4,213,773	650,162,419
Deferred Outflows of Resources			
Pension related amounts	28,722,722	586,177	29,308,899
Other post employment benefit related amounts	328,163	-	328,163
Total deferred outflows of resources	29,050,885	586,177	29,637,062

See notes to basic financial statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	14,128,183	22,677	14,150,860
Salaries and benefits payable	17,476,521	349,096	17,825,617
Claims payable	1,540,529	-	1,540,529
Accrued interest payable	837,034	-	837,034
Unearned revenues	29,788	170,762	200,550
Due to fiduciary fund	1,103	-	1,103
General obligation bonds	4,115,000	-	4,115,000
Capital loan notes	845,000	-	845,000
Capital lease	371,719	-	371,719
Revenue bonds	7,775,000	-	7,775,000
Early retirement	5,962,182	-	5,962,182
Compensated absences	728,277	-	728,277
Total current liabilities	53,810,336	542,535	54,352,871
Noncurrent liabilities:			
Total other postemployment benefit liability	10,581,580	-	10,581,580
Net pension liability	89,379,276	1,824,067	91,203,343
General obligation bonds, net of unamortized premium and discounts	118,862,663	-	118,862,663
Capital loan notes	4,510,000	-	4,510,000
Capital lease	381,196	-	381,196
Revenue bonds, net of unamortized premium	85,084,513	-	85,084,513
Total noncurrent liabilities	308,799,228	1,824,067	310,623,295
Total liabilities	362,609,564	2,366,602	364,976,166
Deferred Inflows of Resources			
Property tax	95,100,386	-	95,100,386
Income surtax	7,117,360	-	7,117,360
Pension related amounts	4,678,406	95,477	4,773,883
Other post employment benefit related amounts	209,365	-	209,365
Total deferred inflows of resources	107,105,517	95,477	107,200,994
Net Position			
Net investment in capital assets	257,625,723	514,491	258,140,214
Restricted for:			
Capital improvement and equipment	505,775	-	505,775
Debt service	4,040,094	-	4,040,094
Federal and state programs	2,157,358	-	2,157,358
Student activities	257,659	-	257,659
Unrestricted	(59,302,159)	1,823,380	(57,478,779)
Total net position	\$ 205,284,450	\$ 2,337,871	\$ 207,622,321

Iowa City Community School District

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, and Contributions	Capital Grants, and Contributions
Governmental Activities				
Instruction:				
Regular instruction	\$ 83,876,791	\$ 497,144	\$ 10,114,031	\$ -
Special instruction	42,506,502	1,494,284	7,629,986	-
Other instruction	6,487,068	53,870	3,149,793	-
	<u>132,870,361</u>	<u>2,045,298</u>	<u>20,893,810</u>	<u>-</u>
Support services:				
Student services	6,407,546	-	-	-
Instructional services	11,538,206	-	-	-
Administration services	17,815,225	-	-	-
Operation and maintenance	19,415,295	265,103	-	145,597
Transportation services	5,056,479	81,577	151,720	-
Other support services, AEA flowthrough	6,338,197	-	6,338,197	-
	<u>66,570,948</u>	<u>346,680</u>	<u>6,489,917</u>	<u>145,597</u>
Noninstructional programs	651,022	-	-	-
Other:				
Long-term debt interest	5,200,637	-	-	-
Bond issuance costs	226,658	-	-	-
Depreciation (unallocated), excluding direct depreciation	35,061	-	-	-
	<u>5,462,356</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	205,554,687	2,391,978	27,383,727	145,597
Business-type activities, nutritional services	6,575,441	2,819,280	4,021,884	-
Total primary government	\$ 212,130,128	\$ 5,211,258	\$ 31,405,611	\$ 145,597

General revenues:	
Property taxes levied for:	
General purposes	
Debt service	
Capital outlay	
Local option sales tax	
Unrestricted state grants	
Unrestricted investment earnings	
Other	
Total general revenues	

Changes in net position

Net position, beginning of year

Net position, end of year

See notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (73,265,616)	\$ -	\$ (73,265,616)
(33,382,232)	-	(33,382,232)
(3,283,405)	-	(3,283,405)
<u>(109,931,253)</u>	<u>-</u>	<u>(109,931,253)</u>
(6,407,546)	-	(6,407,546)
(11,538,206)	-	(11,538,206)
(17,815,225)	-	(17,815,225)
(19,004,595)	-	(19,004,595)
(4,823,182)	-	(4,823,182)
-	-	-
<u>(59,588,754)</u>	<u>-</u>	<u>(59,588,754)</u>
<u>(651,022)</u>	<u>-</u>	<u>(651,022)</u>
(5,200,637)	-	(5,200,637)
(226,658)	-	(226,658)
(35,061)	-	(35,061)
<u>(5,462,356)</u>	<u>-</u>	<u>(5,462,356)</u>
(175,633,385)	-	(175,633,385)
-	265,723	265,723
<u>(175,633,385)</u>	<u>265,723</u>	<u>(175,367,662)</u>
76,056,596	-	76,056,596
12,808,824	-	12,808,824
10,939,315	-	10,939,315
14,300,041	-	14,300,041
67,212,823	-	67,212,823
2,782,746	34,350	2,817,096
1,187,714	-	1,187,714
<u>185,288,059</u>	<u>34,350</u>	<u>185,322,409</u>
9,654,674	300,073	9,954,747
<u>195,629,776</u>	<u>2,037,798</u>	<u>197,667,574</u>
<u>\$ 205,284,450</u>	<u>\$ 2,337,871</u>	<u>\$ 207,622,321</u>

Iowa City Community School District

Balance Sheet—Governmental Funds

June 30, 2019

	General	Physical Plant and Equipment Levy
Assets		
Cash, cash equivalents, and investments	\$ 29,661,358	\$ 1,488,097
Restricted cash	-	-
Receivables:		
Property tax:		
Current year	226,346	38,136
Succeeding year	65,789,035	11,411,909
Income surtax	7,117,360	-
Sales tax	-	-
Other	702,720	-
Due from other governments	2,373,369	-
Due from other funds	27,801	-
Prepaid items	1,472,184	48,109
	<u>1,472,184</u>	<u>48,109</u>
Total assets	<u>\$ 107,370,173</u>	<u>\$ 12,986,251</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 2,061,443	\$ 1,018,143
Salaries and benefits payable	17,455,439	-
Due to other funds	17,064	2,315
Due to fiduciary fund	-	-
Unearned revenue	29,788	-
	<u>19,563,734</u>	<u>1,020,458</u>
Total liabilities	<u>19,563,734</u>	<u>1,020,458</u>
Deferred inflows of resources:		
Unavailable revenue—property tax	65,789,035	11,411,909
Unavailable revenue—income surtax	7,117,360	-
Unavailable revenue—sales tax	-	-
	<u>72,906,395</u>	<u>11,411,909</u>
Total deferred inflows of resources	<u>72,906,395</u>	<u>11,411,909</u>
Fund balance:		
Nonspendable	1,472,184	48,109
Restricted	2,157,358	505,775
Unassigned	11,270,502	-
	<u>14,900,044</u>	<u>553,884</u>
Total fund balances	<u>14,900,044</u>	<u>553,884</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 107,370,173</u>	<u>\$ 12,986,251</u>

See notes to basic financial statements.

Capital Projects	Debt Service	General Obligation Bonds	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 774,465	\$ 70,679,827	\$ 3,610,902	\$ 106,214,649
3,205,668	-	-	-	3,205,668
-	44,653	-	16,643	325,778
-	9,899,455	-	7,999,987	95,100,386
-	-	-	-	7,117,360
424,339	-	-	-	424,339
-	-	-	33,158	735,878
1,155,570	-	-	-	3,528,939
-	-	-	-	27,801
46,770	-	-	-	1,567,063
<u>\$ 4,832,347</u>	<u>\$ 10,718,573</u>	<u>\$ 70,679,827</u>	<u>\$ 11,660,690</u>	<u>\$ 218,247,861</u>
\$ 261,070	\$ -	\$ 10,700,702	\$ 86,825	\$ 14,128,183
21,082	-	-	-	17,476,521
21,076	-	1,068	18,778	60,301
-	-	-	1,103	1,103
-	-	-	-	29,788
<u>303,228</u>	<u>-</u>	<u>10,701,770</u>	<u>106,706</u>	<u>31,695,896</u>
-	9,899,455	-	7,999,987	95,100,386
-	-	-	-	7,117,360
424,339	-	-	-	424,339
<u>424,339</u>	<u>9,899,455</u>	<u>-</u>	<u>7,999,987</u>	<u>102,642,085</u>
46,770	-	-	-	1,567,063
4,058,010	819,118	59,978,057	3,553,997	71,072,315
-	-	-	-	11,270,502
<u>4,104,780</u>	<u>819,118</u>	<u>59,978,057</u>	<u>3,553,997</u>	<u>83,909,880</u>
<u>\$ 4,832,347</u>	<u>\$ 10,718,573</u>	<u>\$ 70,679,827</u>	<u>\$ 11,660,690</u>	<u>\$ 218,247,861</u>

Iowa City Community School District

**Reconciliation of Total Governmental Fund Balances to Net Position
of Governmental Activities
June 30, 2019**

Total governmental fund balances		\$ 83,909,880
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.		408,890,987
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as a deferred inflow of resources in the funds.		424,339
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position:		
Current assets	\$ 20,059,246	
Liabilities	<u>(1,540,529)</u>	18,518,717
Internal service funds allocated to business-type activities		(1,189,147)
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(837,034)
Deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows, pension	28,722,722	
Deferred outflows, other post employment benefit	328,163	
Deferred inflows, pension	(4,678,406)	
Deferred inflows, other post employment benefit	<u>(209,365)</u>	24,163,114
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, current	(4,115,000)	
General obligation bonds, noncurrent	(110,980,000)	
Capital loan notes, current	(845,000)	
Capital loan notes, noncurrent	(4,510,000)	
Sales tax revenue bonds, current	(7,775,000)	
Sales tax revenue bonds, noncurrent	(82,495,000)	
Capital lease	(752,915)	
Early retirement, current	(5,962,182)	
Net pension liability	(89,379,276)	
Total other postemployment benefits liability	(10,581,580)	
Compensated absences, current	(728,277)	
Unamortized premium	<u>(10,472,176)</u>	<u>(328,596,406)</u>
Net position of governmental activities		<u><u>\$ 205,284,450</u></u>

See notes to basic financial statements.

Iowa City Community School District

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

	General	Physical Plant and Equipment Levy
Revenues:		
Local sources:		
Local tax	\$ 71,350,852	\$ 10,939,316
Tuition	1,507,920	-
Interest	597,245	39,401
Other	2,178,027	41,545
State sources	83,424,181	266,799
Federal sources	7,376,387	-
Total revenues	166,434,612	11,287,061
Expenditures:		
Current:		
Instruction:		
Regular instruction	73,040,509	-
Special instruction	39,811,285	-
Other instruction	2,570,795	-
	115,422,589	-
Support services:		
Student services	5,877,007	-
Instructional services	11,232,600	-
Administration services	15,144,808	-
Operation and maintenance	14,573,318	391,456
Transportation services	3,793,882	923,629
Other support services, AEA flowthrough	6,338,197	-
	56,959,812	1,315,085
Noninstructional programs	13,590	-
Capital outlay	-	9,053,611
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Bond issuance costs	-	-
	-	-
Total expenditures	172,395,991	10,368,696
Excess (deficiency) of revenues over expenditures	(5,961,379)	918,365
Other financing sources (uses):		
Transfers in	-	-
Transfers out	(250,000)	(961,713)
Issuance of bonds	-	-
Bond premium	-	-
Total other financing sources (uses)	(250,000)	(961,713)
Net change in fund balances	(6,211,379)	(43,348)
Fund balances, beginning of year	21,111,423	597,232
Fund balances, end of year	\$ 14,900,044	\$ 553,884

See notes to basic financial statements.

Capital Projects	Debt Service	General Obligation Bonds	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 12,808,825	\$ -	\$ 4,705,745	\$ 99,804,738
-	-	-	-	1,507,920
272,719	77,664	1,435,535	13,796	2,436,360
104,052	-	-	2,992,057	5,315,681
14,546,702	312,394	-	117,474	98,667,550
-	-	-	-	7,376,387
14,923,473	13,198,883	1,435,535	7,829,072	215,108,636
-	-	-	2,366,466	75,406,975
-	-	-	-	39,811,285
-	-	-	3,053,151	5,623,946
-	-	-	5,419,617	120,842,206
-	-	-	-	5,877,007
-	-	-	-	11,232,600
15,189	5,650	1,222	873,593	16,040,462
-	-	-	1,617,221	16,581,995
-	-	-	338,968	5,056,479
-	-	-	-	6,338,197
15,189	5,650	1,222	2,829,782	61,126,740
622,879	-	-	-	636,469
8,846,149	-	62,938,931	-	80,838,691
-	19,212,478	-	-	19,212,478
-	5,710,654	-	-	5,710,654
-	-	226,658	-	226,658
-	24,923,132	226,658	-	25,149,790
9,484,217	24,928,782	63,166,811	8,249,399	288,593,896
5,439,256	(11,729,899)	(61,731,276)	(420,327)	(73,485,260)
-	12,133,652	-	250,000	12,383,652
(11,171,939)	-	-	-	(12,383,652)
-	-	66,645,000	-	66,645,000
-	-	4,917,515	-	4,917,515
(11,171,939)	12,133,652	71,562,515	250,000	71,562,515
(5,732,683)	403,753	9,831,239	(170,327)	(1,922,745)
9,837,463	415,365	50,146,818	3,724,324	85,832,625
\$ 4,104,780	\$ 819,118	\$ 59,978,057	\$ 3,553,997	\$ 83,909,880

Iowa City Community School District

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

Net change in fund balances, total governmental funds	\$	(1,922,745)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense in the statement of activities. This is the amount by which capital outlay exceeds depreciation expense in the period:</p>		
Capital outlay	\$ 79,812,987	
Depreciation expense	<u>(10,329,593)</u>	69,483,394
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenues.		(245,661)
<p>Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
Repayment of long-term debt	19,212,478	
Proceeds from general obligation bonds	(66,645,000)	
Proceeds from bond premium	<u>(4,917,515)</u>	(52,350,037)
Interest on long-term debt in the statement of activities differs from the amount reported in governmental funds because interest is recorded as an expenditure in the funds when due. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(365,251)
<p>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:</p>		
Change in other postemployment benefits	(1,165,126)	
Pension expense	(3,405,373)	
Change in early retirement	(3,595,716)	
Change in compensated absences	<u>130,724</u>	(8,035,491)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position in the internal service fund is reported with governmental activities in the statement of activities.		2,407,879
Change in Internal Service Fund allocation to business-type activities.		(192,682)
Amortization of bond premium	948,596	
Amortization of bond discount	<u>(73,328)</u>	875,268
Change in net position of governmental activities	\$	<u>9,654,674</u>

See notes to basic financial statements.

Iowa City Community School District

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

	Nonmajor Enterprise Fund - School Nutrition	Internal Service Fund
Assets		
Current assets:		
Cash, cash equivalents, and investments	\$ 2,270,855	\$ 20,043,810
Due from other governments	21,163	-
Due from other funds	17,064	15,436
Inventories	124,548	-
Prepaid expenses and deposits	76,505	-
Total current assets	<u>2,510,135</u>	<u>20,059,246</u>
Noncurrent assets, capital assets, net of accumulated depreciation	514,491	-
Total assets	<u>3,024,626</u>	<u>20,059,246</u>
Deferred outflows of resources , pension related amounts	586,177	-
Total assets and deferred outflows of resources	<u>\$ 3,610,803</u>	<u>\$ 20,059,246</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 22,677	\$ -
Salaries and benefits payable	349,096	-
Claims payable	-	1,540,529
Unearned revenue	170,762	-
Total current liabilities	<u>542,535</u>	<u>1,540,529</u>
Noncurrent liabilities, net pension liability	1,824,067	-
Total liabilities	<u>2,366,602</u>	<u>1,540,529</u>
Deferred inflows of resources , pension related amounts	95,477	-
Net position		
Investment in capital assets	514,491	-
Unrestricted	634,233	18,518,717
Total net position	<u>1,148,724</u>	<u>18,518,717</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,610,803</u>	<u>\$ 20,059,246</u>
Total enterprise funds net position	\$ 1,148,724	
Amounts reported for business-type activities in the statement of net position are different because:		
Internal service funds are used by management to charge the costs of certain services to individual funds. Certain assets and liabilities of the internal service funds are included in business-type activities in the statement of net position.		
	<u>1,189,147</u>	
Net position of business-type activities	<u>\$ 2,337,871</u>	

See notes to basic financial statements.

Iowa City Community School District

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

	Nonmajor Enterprise Fund - School Nutrition	Internal Service Fund
Operating revenue:		
Charges for services:		
Food sales	\$ 2,819,280	\$ -
Internal service charges	-	13,945,467
Employee contributions	-	3,914,399
Total operating revenue	2,819,280	17,859,866
Operating expenses:		
Food consumed	2,886,052	-
Salaries and benefits	3,096,801	-
Supplies, services and repairs	345,561	-
Depreciation	69,366	-
Food and meal delivery:		
Salaries and benefits	344,993	-
Truck expenses	8,400	-
Depreciation	16,950	-
Claims, losses and administrative fees	-	15,685,159
Other	-	113,214
Total operating expenses	6,768,123	15,798,373
Operating income (loss)	(3,948,843)	2,061,493
Nonoperating revenues:		
Federal appropriations	3,488,343	-
State appropriations	50,248	-
Federal food commodities	483,293	-
Interest income	34,350	346,386
Total nonoperating revenues	4,056,234	346,386
Changes in net position	107,391	2,407,879
Net position, beginning of year	1,041,333	16,110,838
Net position, end of year	\$ 1,148,724	\$ 18,518,717

See notes to basic financial statements.

Iowa City Community School District

**Reconciliation of Changes in Net Position of Enterprise Funds to the
Statement of Activities
Year Ended June 30, 2019**

Net changes in net position in enterprise funds.	\$ 107,391
Amounts reported for proprietary activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.	<u>192,682</u>
Change in net position of business-type activities	<u><u>\$ 300,073</u></u>

See notes to basic financial statements.

Iowa City Community School District

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

	Nonmajor Enterprise Fund - School Nutrition	Internal Service Fund
Cash flows from operating activities:		
Cash received from sales of breakfasts and lunches	\$ 2,827,342	\$ -
Cash received from charges for service	-	13,945,467
Cash received from employees for benefits	-	3,914,399
Cash payments to suppliers for goods and services	(2,678,705)	(113,214)
Cash payments to employees for services	(2,307,745)	-
Cash payments for employee benefits	(1,019,009)	-
Cash payments for claims, losses and administrative fees	-	(16,577,103)
Net cash provided by (used in) operating activities	(3,178,117)	1,169,549
Cash flows from noncapital financing activities:		
Operating grants received	3,539,121	-
Proceeds from interfund accounts	(10,089)	-
Payments to interfund accounts	-	(16,136)
Net cash provided by (used in) noncapital financing activities	3,529,032	(16,136)
Cash flows from capital and related financing activities, acquisition of capital assets		
	(57,236)	-
Cash flows from investing activities, interest on cash and cash equivalents		
	34,350	346,386
Net increase in cash and cash equivalents	328,029	1,499,799
Cash and cash equivalents:		
Beginning	1,942,826	18,544,011
Ending	\$ 2,270,855	\$ 20,043,810
Operating income (loss)	\$ (3,948,843)	\$ 2,061,493
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	86,316	-
Federal food commodities consumed	483,293	-
Change in assets and liabilities:		
Decrease in purchased inventory	46,006	-
Decrease in prepaid expenses and deposits	13,413	-
Increase in accounts payable	18,596	-
Increase in salaries and benefits payable	10,758	-
Increase in unearned revenue	8,062	-
Increase in net pension liability	75,977	-
Decrease in deferred outflows of resources	302,258	-
(Decrease) in deferred inflows of resources	(273,953)	-
(Decrease) in claims payable	-	(891,944)
Total adjustments	770,726	(891,944)
Net cash provided by (used in) operating activities	\$ (3,178,117)	\$ 1,169,549
Noncash item, noncapital financing activities, food commodities donated to the District from the U.S. Department of Agriculture		
	\$ 483,293	\$ -

See notes to basic financial statements.

Iowa City Community School District

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2019

	Private Purpose Trust Fund <u>Winbigler Estate</u> Trust Fund	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 71,576	\$ 485,596
Due from primary government	-	1,103
Total assets	<u>71,576</u>	<u>\$ 486,699</u>
Liabilities , due to private individuals	<u>-</u>	<u>\$ 486,699</u>
Net Position , restricted for needs of students in need of financial assistance	<u>\$ 71,576</u>	

See notes to basic financial statements.

Iowa City Community School District

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2019**

	<u>Private Purpose Trust Fund</u> <u>Winbigler Estate Trust Fund</u>
Net position held in trust, beginning of year	\$ 71,576
Net position held in trust, end of year	<u>\$ 71,576</u>

See notes to basic financial statements.

Iowa City Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies

Nature of operations: The Iowa City Community School District (the District) is a political subdivision of the state of Iowa and operates public schools for children in grades pre-school through twelve. The geographic area served includes the cities of Iowa City, Coralville, University Heights, Hills and North Liberty and the surrounding predominately agricultural territory in central Johnson County. The District is governed by a Board of Education whose members are elected on a nonpartisan basis.

Reporting entity: For financial reporting purposes, the Iowa City Community School District has included all funds, organizations, agencies, boards, commissions and authorities for which the District is financially accountable. 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 (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on the organization, or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. In addition, the GASB issued Statement No. 39, which sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the Organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. Based on these criteria, the District is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these basic financial statements.

The District participates in several jointly governed organizations for which the District is not financially accountable or that the nature and significance of the relationships with the District are such that exclusion does not cause the District's financial statements to be misleading or incomplete. Among those organizations are the Johnson County Conference Board, Iowa City Conference Board, Johnson County Compensation Board and the Iowa City Assessors Examining Board.

Significant accounting policies:

Government-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. However, interfund services provided and used are not eliminated in the process of consolidation. 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 services.

The statement of net position presents the District's nonfiduciary assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position.

Iowa City Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and 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 customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not 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 government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor governmental funds and nonmajor enterprise funds are aggregated and presented in a single column.

Fund accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, deferred inflows/outflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities and deferred inflows/outflows of resources is reported as fund balance. The following are the District's major governmental funds:

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

Physical Plant and Equipment Levy Fund: a capital projects fund, accounts for the property taxes levied and collected by the District to be used for the purchase and improvement of grounds; purchase, construction and remodeling of buildings; and major equipment purchases.

Capital Projects Fund: a capital projects fund, is used to account for all resources restricted for the acquisition and construction of major capital facilities as authorized by the voters in the District. Revenues of the Fund primarily consist of state-wide sales taxes.

Debt Service Fund: accounts for property taxes levied and collected for the payment of general long-term debt principal, interest and related costs.

General Obligation Bonds Fund: a capital projects fund, used to account for all resources restricted for the acquisition and construction of major capital facilities as authorized by voters in the District. Revenue of the fund consists of sale of general obligation bonds.

Iowa City Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

The other governmental funds of the District are considered nonmajor and are as follows:

Special Revenue Funds: Accounts for the revenue sources that are legally restricted to expenditures for specific purposes.

Management Fund: Accounts for property taxes levied and collected which are restricted for tort liability insurance premiums, unemployment compensation insurance claims and early retirement incentive payments.

Student Activity Fund: Accounts for money held by the District which is restricted on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular or extracurricular activities of the District.

Proprietary Fund Types: Proprietary fund types are used to account for the District's ongoing operations and activities which are similar to those often found in the private sector. They are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Enterprise Funds: Enterprise funds are used to account for those operations for which a fee is charged to external users for goods and/or services. The following enterprise fund of the District is considered nonmajor.

School Nutrition Fund: Accounts for the food service operations of the District.

Internal Service Fund: The Internal Service Fund is used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District's Internal Service Fund is used to account for the premium and claim payments for the self-insured health insurance and dental plan for District employees and retirees.

The District also reports the following fiduciary fund types:

Private Purpose Trust Fund: This fund is utilized to account for assets held by the District in a fiduciary capacity according to the terms of the donor's request of granting scholarships at City High School.

Agency Funds: These funds are utilized to account for assets held by the District in the fiduciary capacity as an agent on behalf of others. The Agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The Agency funds of the District include:

Flexible benefits account: for the District's flexible benefit plan activity.

School children's aid: for providing services to at risk students at any District building.

Opportunity funds: for providing services to at risk families in two District elementary buildings.

School based health clinics: partnerships with local medical community to provide health services to at risk children.

Iowa City Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

The government-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the “economic resources measurement focus” and accrual basis of accounting. Agency funds follow the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax and income surtax is recognized as revenue in the year for which it is levied and budgeted for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year-end.

Property tax when levied and budgeted for, other taxes and intergovernmental revenues when eligibility requirements have been met (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be measurable and are recognized as revenue, if available. All other revenue items are recognized only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, early retirement payments, other postemployment benefits, pension contributions 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 financing and capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general resources. When program expenses are incurred and there are both restricted and unrestricted net position available to finance the program it is the District’s policy to first apply cost-reimbursement grant resources to such programs then the 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 proprietary funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, depreciation on capital assets and claims. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash, cash equivalents and investments: The cash balances of most District funds are nonpooled and separately invested. Investments in the Iowa Schools Joint Investment Trust, nonnegotiable certificates of deposit and IPAS Education Money Market Fund are stated at amortized cost.

The IPAS Education Money Market Fund is a “money market fund” that seeks to maintain a stable net asset value of \$1.00 per share. The Fund qualifies as a legal investment for the District under Iowa law.

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 date of purchase have a maturity date of no more than three months.

Iowa City Community School District

Notes to Basic Financial Statements

**Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies
(Continued)**

Property tax and income surtax receivable: Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Education.

Current year property tax receivable represents unpaid taxes related to April 2018 levy certification. Property taxes become due and collectible in September and March of the following fiscal year with a 1½% per month penalty for delinquent payments. This tax levy is based on January 1, 2017 assessed property valuations and is revenue for fiscal year ended June 30, 2019.

The succeeding year property tax receivable represents taxes certified by the Board of Education in April 2019. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. The tax asking represents a lien which is effective on the first day of that calendar year. Although the succeeding year property tax receivable has been recorded, the related revenue is a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year ended June 30, 2020, the year for which it is levied and budgeted for.

The income surtax receivable represents the fiscal year 2019 levy which will be collected by the District in fiscal year 2020. Although the income surtax receivable has been recorded as of June 30, 2019, the related revenue is a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year ended June 30, 2020, the year for which it is levied and budgeted for.

Due from other governments: Due from other governments represent amounts due from the state of Iowa, other school districts, and other various grants, reimbursements and shared revenues.

	General	Capital Projects	Nonmajor Enterprise
Due from other governments:			
Federal	\$ 1,749,345	\$ -	\$ -
State	241,577	-	21,163
Local option sales tax	-	1,155,570	-
Other	382,447	-	-
	<u>\$ 2,373,369</u>	<u>\$ 1,155,570</u>	<u>\$ 21,163</u>

Prepaid expenses: Prepaid expenses consist primarily of insurance costs paid for the succeeding year and are recorded as prepaid expenses in both government-wide and fund financial statements on the consumption method.

Inventories: Inventories of the enterprise fund consist of food. The inventories are valued on a first-in, first-out basis, with purchased inventory valued at the lower of cost or market and government-contributed commodities valued at the acquisition value as of the date received. Unused commodities at balance sheet date are reported as inventory.

Iowa City Community School District

Notes to Basic Financial Statements

**Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies
(Continued)**

Capital assets: Capital assets, which include land, construction-in-progress, buildings, improvements, furniture, equipment and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position and the proprietary fund statement of net position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of one year.

Description:	<u>Threshold</u>
Buildings and improvements other than buildings	\$ 2,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500
Vehicles	2,500

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

Description:	<u>Estimated Lives</u>
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment:	
School Nutrition Fund equipment	12 years
Other furniture and equipment	5 years
Vehicles:	
School Nutrition Fund vehicles	5 years
Other vehicles	7 years

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

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

Iowa City Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Salaries and benefits payable: Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities. Incurred but unpaid payroll expense for all employees as of June 30, 2019, has also been accrued as a liability as of June 30, 2019.

Unearned revenue: Unearned revenue consists of grant awards received but unearned by the fulfillment of an eligibility provision and cash received in the School Nutrition Fund for meals to be provided during fiscal year 2020.

Deferred inflows of resources: Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The governmental funds report unavailable revenues from three sources: property taxes, income surtaxes and intergovernmental revenue. The amounts related to intergovernmental revenue are deferred and recognized as an inflow of resources in the period that the amounts become available. In both the District's government-wide and governmental fund financial statements, property tax revenue and income surtaxes for the succeeding year are reported as a deferred inflow of resources and will become an inflow in the year they are levied and budgeted for. The District's statement of net position also includes unrecognized pension and OPEB related amounts as a deferred inflow.

Compensated absences: District employees with a contract of 200 days or more accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employees that have resigned or retired which is considered due. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2019. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Self-insurance: The District is self-insured for health and dental benefits. The District's premiums and claims are accounted for in the Internal Service Fund. Premiums are charged by the Internal Service Fund to operating funds based upon number of employees and selected coverage in each fund.

Long-term liabilities: In the governmental fund financial statements, principal and interest on long-term debt, early retirement payments, other postemployment benefits and compensated absences are recognized as liabilities only when payment has matured, or becomes due. The face amount of debt issued is reported as other financing sources. Premiums/discounts received on debt issuances are reported as other financing sources/uses. Principal payments and bond issuance costs are reported as debt service expenditures. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position. As of June 30, 2019, the District did not have any long-term obligations related to its business-type activities. Bond premiums and deferred amounts on refunding are amortized over the life of the debt using a method which approximates the effective interest method. Bond issuance costs are recognized as an expense in the period they are incurred.

Iowa City Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Pensions: The net pension liability, deferred inflows and outflows of resources related to pensions, 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.

Total OPEB liability: For purposes of measuring the total other postemployment benefit (OPEB) liability, deferred inflows of resources related to OPEB and OPEB expense, information has been based on an actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total of OPEB liability will be paid primarily by the General Fund.

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

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the District's 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 through resolution.

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

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

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

Net position: Net position represents the difference between assets plus deferred outflows of resources and liabilities plus 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 and also excludes unspent debt proceeds. Unspent debt proceeds for general obligation bonds are \$70,679,827 for governmental activities. Net position is reported as restricted when there are limitations imposed on their use either 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 through enabling legislation consists of \$505,775 for capital improvements and equipment.

Iowa City Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Interfund activity: Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as “due to/from other funds” in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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.

Budgets and budgetary control: As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules—Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of functional areas as required by state statute for its legally adopted budget.

Note 2. Cash and Investments

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy requires operating funds to be invested in investments that mature within 397 days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within 15 months of receipt.

Credit risk: The Board authorizes the District to invest funds in excess of current needs in interest-bearing savings, money market and checking accounts at the District’s authorized depositories; the Iowa Schools Joint Investment Trust Program; obligations of the United States governments, its agencies and instrumentalities; and certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions. The Miles Capital Education Institutional Money Market Fund and the Iowa Schools Joint Investment Trust is rated AAAM with Standard & Poor’s Global Ratings. The District’s policy does not further limit the District’s investments in relation to credit risk.

The Miles Capital Education Institutional Money Market Fund and Iowa Schools Joint Investment Trust are valued at an amortized cost based on the criteria set forth in GASB No. 79.

Iowa City Community School District

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

Concentration of credit risk: The District's general investment policy is to apply the prudent-person rule. In making investments, the District shall exercise the care, skill, prudence and diligence under the circumstances that a prudent person acting in a like capacity and familiar with such matters would use to meet the goals of the investment program.

The investments in Iowa Schools Joint Investment Trust and Miles Capital Education Institutional Money Market Fund are not subject to concentration of credit risk.

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

It is the District's policy to require that time deposits in excess of FDIC insurable limits 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.

As of June 30, 2019, none of the District's deposit bank balance or investments were exposed to custodial credit risk. The District's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds. In addition, the District's investments were not insured but were held by the District or its Agent in the District's name.

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

Depository accounts	\$ 48,266,183
Certificate of deposits with maturities greater than three months	5,587,205
Iowa Schools Joint Investment Trust	49,061,596
Miles Capital Education Institutional Money Market Fund	29,377,170
Total cash, cash equivalents and investments	<u>\$ 132,292,154</u>
Government-wide statement of net position—unrestricted	\$ 128,529,314
Government-wide statement of net position—restricted	3,205,668
Statement of fiduciary net position	557,172
Total cash, cash equivalents and investments	<u>\$ 132,292,154</u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 3. Interfund Receivables and Payables

Individual interfund receivable and payable balances as of June 30, 2019, are as follows:

Receivable Fund	Payable Fund	Amount
Major Fund, General Fund	Major Fund, Physical Plant and Equipment Levy Fund	\$ 2,315
Major Fund, General Fund	Major Fund, General Obligation Bond Fund	1,068
Major Fund, General Fund	Major Fund, Capital Project Fund	21,076
Major Fund, General Fund	Nonmajor Fund, Student Activity Fund	3,072
Major Fund, General Fund	Nonmajor Fund, Management Fund	270
Nonmajor Fund, Internal Service Fund	Nonmajor Fund, Student Activity Fund	15,436
Agency Funds	Nonmajor Fund, Student Activity Fund	1,103
Nonmajor Enterprise Fund, School Nutrition Fund	Major Fund, General Fund	17,064
		<u>\$ 61,404</u>

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

Note 4. Interfund Transfers

Detail of interfund transfers for the year ended June 30, 2019, is as follows:

Transfer To	Transfer From	Amount
Nonmajor Governmental Funds:		
Special Revenue Fund, Student Activity	Major Fund, General Fund	\$ 250,000
Major Fund, Debt Service	Major Fund, Capital Projects Fund	11,171,939
Major Fund, Debt Service	Major Fund, Physical Plant and Equipment Levy	961,713
		<u>\$ 12,383,652</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization and 3) to reimburse the debt service fund for principal payments on outstanding debt that was issued for school infrastructure purposes.

Iowa City Community School District

Notes to Basic Financial Statements

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2019, is as follows:

	Balance, Beginning of Year	Increases	Decreases	Balance, End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 11,862,498	\$ 2,988,862	\$ -	\$ 14,851,360
Construction-in-progress	55,138,136	66,770,914	22,145,205	99,763,845
Total capital assets not being depreciated	67,000,634	69,759,776	22,145,205	114,615,205
Capital assets being depreciated:				
Buildings	324,705,740	29,261,561	-	353,967,301
Improvements other than buildings	25,771,187	1,203,785	-	26,974,972
Furniture, equipment and vehicles	25,645,857	1,733,070	45,490	27,333,437
Total capital assets being depreciated	376,122,784	32,198,416	45,490	408,275,710
Less accumulated depreciation for:				
Buildings	74,675,311	7,411,640	-	82,086,951
Improvements other than buildings	9,132,093	1,144,284	-	10,276,377
Furniture, equipment and vehicles	19,908,421	1,773,669	45,490	21,636,600
Total accumulated depreciation	103,715,825	10,329,593	45,490	113,999,928
Total capital assets being depreciated, net	272,406,959	21,868,823	-	294,275,782
Governmental activities capital assets, net	\$ 339,407,593	\$ 91,628,599	\$ 22,145,205	\$ 408,890,987
Business-Type Activities:				
Furniture, equipment and vehicles	\$ 1,728,797	\$ 57,236	\$ -	\$ 1,786,033
Less accumulated depreciation	1,185,226	86,316	-	1,271,542
Business-type activities capital assets, net	\$ 543,571	\$ (29,080)	\$ -	\$ 514,491

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	\$ 6,707,959
Special	850,267
Other	829,495
Support services:	
Administration services	1,458,684
Operation and maintenance	448,127
	<u>10,294,532</u>
Unallocated depreciation, excluding direct depreciation	35,061
Total governmental activities depreciation expense	<u>\$ 10,329,593</u>
Business-type activities, nutritional services	<u>\$ 86,316</u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2019, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 58,955,000	\$ 66,645,000	\$ 10,505,000	\$ 115,095,000	\$ 4,115,000
Sales tax revenue bonds	49,370,000	-	3,540,000	45,830,000	3,715,000
Notes from direct borrowings and direct placements:					
Sales tax revenue bonds	48,410,000	-	3,970,000	44,440,000	4,060,000
Capital loan notes	6,190,000	-	835,000	5,355,000	845,000
Other debt:					
Premium on general obligation bonds	3,384,862	4,917,515	419,714	7,882,663	-
Discount on general obligation bonds	(73,328)	-	(73,328)	-	-
Premium on sales tax revenue bonds	3,118,395	-	528,882	2,589,513	-
Other liabilities:					
Capital lease	1,115,393	-	362,478	752,915	371,719
Early retirement	2,366,466	5,962,182	2,366,466	5,962,182	5,962,182
Total other postemployment benefits liability	9,070,319	1,511,261	-	10,581,580	-
Net pension liability	88,773,114	606,162	-	89,379,276	-
Compensated absences	859,001	715,216	845,940	728,277	728,277
Total	\$ 271,539,222	\$ 80,357,336	\$ 23,300,152	\$ 328,596,406	\$ 19,797,178
Business-type activities,					
net pension liability	\$ 1,748,090	\$ 75,977	\$ -	\$ 1,824,067	\$ -

Early retirement: The District provided early retirement incentives for certain employees who met certain qualifications as established by the Board of Education. The cost of the incentives is borne by the District in whole. Eligible participants cannot, and do not, contribute to the incentive program.

Early retirement participation is based on the following criteria, but may be adjusted annually to assist management in budgetary restraints:

1. It is available to employees who are at least 55 years of age. The Board of Directors reserves the right to limit the number of early retirements.
2. The employee has completed at least ten (10) years of service to the District and has been actively employed during the school year that they request early retirement benefits.
3. The employee must be eligible for the receipt of IPERS retirement benefits or allowance pursuant to Chapter 97B of the Code of Iowa.
4. The employee submits a written notification of their intent to apply for early retirement benefits prior to March 1 in the year the early retirement is to begin.
5. The benefits offered to District employees shall be a District contribution to a Special Pay Deferral Plan (SPDP) of 50%–60% of current year’s base salary depending on years of service and calculated on the average full time equivalence (FTE) during the years of service.

Iowa City Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities (Continued)

During the year ended June 30, 2019, 107 District employees requested early retirement, to be payable during the year ending June 30, 2020. The benefits to be paid to these employees will be made in October 2019 and January 2020 and the total of \$5,962,182 are generally liquidated from the Management Fund. During the year ended June 30, 2019, the District paid \$2,366,466 of early retirement benefits approved during the year ended June 30, 2018 from the Management Fund.

Compensated absences: Compensated absences are generally liquidated by the General Fund. The District's liability for compensated absences is expected to be utilized or paid out within one year.

Bonds payable: Details of the District's general obligation bond, general obligation notes and revenue bonds indebtedness as of June 30, 2019 are as follows:

On January 8, 2019, the District issued \$66,645,000 in General Obligation Bonds, Series 2019 maturing June 1, 2020 through June 1, 2038 with an interest rate of 2.75% to 5% to remodel, repair, improve, renovate, furnish and equip existing school buildings in the District.

Year ending June 30,	General Obligation Bonds - Series 2019		
	Interest Rates	Principal	Interest
2020	5.00%	\$ 2,260,000	\$ 4,020,123
2021	5.00	2,685,000	2,764,225
2022	5.00	2,760,000	2,629,975
2023	2.75	2,840,000	2,491,975
2024	5.00	2,925,000	2,413,875
2025	5.00	3,015,000	2,267,625
2026	5.00	3,110,000	2,116,875
2027	5.00	3,215,000	1,961,375
2028	5.00	3,320,000	1,800,625
2029	5.00	3,435,000	1,634,625
2030	5.00	3,550,000	1,462,875
2031	4.00	3,675,000	1,285,375
2032	4.00	3,810,000	1,138,375
2033	4.00	3,950,000	985,975
2034	4.00	4,095,000	827,975
2035	3.63	4,250,000	664,175
2036	3.63	4,410,000	510,112
2037	3.75	4,580,000	350,250
2038	3.75	4,760,000	178,500
		<u>\$ 66,645,000</u>	<u>\$ 31,504,910</u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities (Continued)

On November 29, 2017, the District issued \$58,955,000 in General Obligation Bonds, Series 2017C maturing June 1, 2019 through June 2037 with an interest rate of 2.50% to 5% to finance the remaining projects of the District's facility master plan.

Year ending June 30,	General Obligation Bonds - Series 2017C		
	Interest		
	Rates	Principal	Interest
2020	5.00%	\$ 1,855,000	\$ 1,764,330
2021	5.00	1,945,000	1,671,580
2022	5.00	2,040,000	1,574,330
2023	5.00	2,145,000	1,472,330
2024	5.00	2,250,000	1,365,080
2025	5.00	2,365,000	1,252,580
2026	5.00	2,485,000	1,134,330
2027	4.00	2,605,000	1,010,080
2028	2.50	2,710,000	905,880
2029	2.50	2,780,000	838,130
2030	2.75	2,850,000	768,630
2031	2.90	2,925,000	690,255
2032	2.95	3,010,000	605,430
2033	3.00	3,100,000	516,635
2034	3.05	3,195,000	423,635
2035	3.15	3,290,000	326,188
2036	3.20	3,395,000	222,553
2037	3.25	3,505,000	113,916
		<u>\$ 48,450,000</u>	<u>\$ 16,655,892</u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities (Continued)

On December 3, 2014, the District issued \$9,430,000 in General Obligation School Capital Loan Notes, Series, 2014, maturing June 1, 2015 through June 1, 2025 with a interest rates of 2.00% to 2.25% to provide funds to purchase, construct, equip and relocate the One Vision Transitional Schoolhouse; remodel, improve, furnish, and equip Van Allen Elementary; install air-conditioning in and renovate Hoover Elementary; remodel, improve, furnish, and equip Hills Elementary, Weber Elementary and Coralville Central Elementary; Phase I renovation of City High School; and construct, build, furnish and equip East (Hoover) Elementary School. The Notes are general obligations of the District to be paid from a continuing annual levy upon all of the taxable valuation not to exceed one dollar thirty-four cents (\$1.34) per one thousand dollars (\$1,000).

Capital Loan Notes, Series 2014			
Years ending June 30,	Interest		
	Rates	Principal	Interest
2020	2.00%	\$ 845,000	\$ 109,463
2021	2.00	865,000	92,563
2022	2.00	880,000	75,263
2023	2.00	900,000	57,663
2024	2.00	920,000	39,663
2025	2.25	945,000	21,263
		\$ 5,355,000	\$ 395,878

On August 25, 2015, the District issued \$60,030,000 in Sales Tax Revenue Bonds, maturing June 1, 2016 through June 1, 2029 with interest rates of 3.00% to 5.00% to provide funds to build, furnish and equip a new high school building; to build, furnish, and equip addition(s) to existing school buildings in the District; to remodel, repair, expand and improve existing school buildings in the District. The Bonds are not general obligations of the District. The Bonds are payable solely from the proceeds of the Bonds and tax revenues received by the District under the tax.

Sales Tax Revenue Bonds, Series 2015			
Years ending June 30,	Interest		
	Rates	Principal	Interest
2020	5.00%	\$ 3,715,000	\$ 1,867,955
2021	5.00	3,900,000	1,682,205
2022	5.00	4,100,000	1,487,205
2023	5.00	4,300,000	1,282,205
2024	5.00	4,515,000	1,067,205
2025	3.00	4,745,000	841,455
2026	3.25	4,885,000	699,105
2027	3.50	5,045,000	540,343
2028	3.50	5,220,000	363,768
2029	3.35	5,405,000	181,067
		\$ 45,830,000	\$ 10,012,513

Iowa City Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities (Continued)

On December 22, 2016, the District issued \$10,000,000 in Sales Tax Revenue Bonds, maturing June 1, 2018 through June 1, 2029 with interest rates of 2.25% to provide funds to construct, build, furnish and equip a new elementary building and construct a road to the building and to remodel, repair, improve, renovate, furnish and equip existing school buildings in the District. The Bonds are payable solely from the proceeds of the Bonds and tax revenues received by the District under the tax.

Years ending June 30,	Sales Tax Revenue Bonds, Series 2016		
	Interest		
	Rates	Principal	Interest
2020	2.25%	\$ 775,000	\$ 191,363
2021	2.25	790,000	173,925
2022	2.25	805,000	156,150
2023	2.25	825,000	138,038
2024	2.25	840,000	119,475
2025	2.25	855,000	100,575
2026	2.25	875,000	81,338
2027	2.25	895,000	61,650
2028	2.25	915,000	41,513
2029	2.25	930,000	20,925
		<u>\$ 8,505,000</u>	<u>\$ 1,084,952</u>

On January 19, 2017, the District issued \$11,185,000 in Sales Tax Revenue Bonds, maturing June 1, 2018 through June 1, 2029 with interest rates of 2.56% to provide funds to construct, build, furnish and equip a new elementary building and construct a road to the building and to remodel, repair, improve, renovate, furnish and equip existing school buildings in the District. The Bonds are payable solely from the proceeds of the Bonds and tax revenues received by the District under the tax.

Years ending June 30,	Sales Tax Revenue Bonds, Series 2017		
	Interest		
	Rates	Principal	Interest
2020	2.56%	\$ 865,000	\$ 243,456
2021	2.56	885,000	221,312
2022	2.56	900,000	198,656
2023	2.56	920,000	175,616
2024	2.56	940,000	152,064
2025	2.56	960,000	128,000
2026	2.56	980,000	103,424
2027	2.56	1,000,000	78,336
2028	2.56	1,020,000	52,736
2029	2.56	1,040,000	26,624
		<u>\$ 9,510,000</u>	<u>\$ 1,380,224</u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities (Continued)

On August 2, 2017, the District issued \$21,200,000 in Sales Tax Revenue Bonds, maturing June 1, 2018 through June 1, 2029 with interest rates of 2.38% to provide funds to construct, build furnish and equip a new elementary building and construct a road to the building and to remodel, repair, improve, renovate, furnish and equip existing school buildings in the District. The Bonds are payable solely from the proceeds of the Bonds and tax revenues received by the District under the tax law.

Sales Tax Revenue Bonds, Series 2017B				
Interest				
	Rates	Principal		Interest
Years ending June 30,				
2020	2.38%	\$ 1,580,000	\$	432,565
2021	2.38	1,630,000		394,961
2022	2.38	1,680,000		356,167
2023	2.38	1,730,000		316,183
2024	2.38	1,785,000		275,009
2025	2.38	1,840,000		232,526
2026	2.38	1,895,000		188,734
2027	2.38	1,950,000		143,633
2028	2.38	2,010,000		97,223
2029	2.38	2,075,000		49,385
		<u>\$ 18,175,000</u>	\$	<u>2,486,386</u>

On June 26, 2018, the District issued \$9,085,000 in Sales Tax Revenue Bonds, maturing June 1, 2019 through June 1, 2020 with interest rates of 3.30% to remodel, repair, improve, renovate, furnish and equip existing school buildings in the District. The Bonds are payable solely from the proceeds of the Bonds and tax revenues received by the District under the tax law.

Sales Tax Revenue Bonds, Series 2018				
Interest				
	Rates	Principal		Interest
Years ending June 30,				
2020	3.30%	\$ 840,000	\$	272,250
2021	3.30	860,000		244,530
2022	3.30	740,000		216,150
2023	3.30	750,000		191,730
2024	3.30	775,000		166,980
2025	3.30	800,000		141,405
2026	3.30	830,000		115,005
2027	3.30	855,000		87,615
2028	3.30	885,000		59,400
2029	3.30	915,000		30,195
		<u>\$ 8,250,000</u>	\$	<u>1,525,260</u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities (Continued)

The District has pledged a portion of future sales tax revenues to repay \$60,030,000 in sales tax increment bonds issued in August 2015, \$10,000,000 in sales tax revenue bonds issued December 2016 and \$11,185,000 in sales tax revenue bonds issued January 2017, \$21,200,000 in sales tax revenue bonds issued August 2017 and \$9,085,000 in sales tax revenue bonds issued June 2018. The bonds are payable solely from the sales taxes received by the District. Total principal and interest remaining on the bonds is \$106,759,335, payable through 2029. For the current year, principal and interest paid and total incremental sales tax revenues were \$10,776,476 and \$14,546,702, respectively.

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

The assets under capital lease are as follows:

Computer equipment	\$ 1,508,519
Accumulated depreciation	(791,972)
Net book value	<u>\$ 716,547</u>

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

Years ending June 30:	
2020	\$ 390,913
2021	390,913
Total minimum lease payments	<u>781,826</u>
Less amount representing interest	(28,912)
Present value of minimum lease payments	<u>\$ 752,914</u>

As of June 30, 2019, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 10,427,198,940</u>
Debt limit, 5% of total assessed valuation	\$ 521,359,947
Amount of debt applicable to debt limitation, general obligation bonds and capital loan notes	<u>120,450,000</u>
Excess of debt limit over debt outstanding, legal debt margin	<u>\$ 400,909,947</u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits

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

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

Pension benefits: A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is 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 salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

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

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 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.

Iowa City Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

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

The District's contributions to IPERS for the year ended June 30, 2019 totaled \$10,815,115.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2019, the District reported a liability of \$91,203,343 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2018, the District's proportion was 1.4412% an increase of 0.0823% from its proportion measured as of June 30, 2017. Net pension liability attributable to governmental activities are generally liquidated by the general fund and management fund.

For the year ended June 30, 2019, the District recognized pension expense of \$3,509,656. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 500,054	\$ (2,061,342)
Changes of assumptions	13,010,722	-
Net difference between projected and actual earnings on pension plan investments	-	(2,505,975)
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>4,983,008</u>	<u>(206,566)</u>
Total deferred amounts to be recognized in pension expense in future periods	18,493,784	(4,773,883)
District contributions subsequent to measurement date	10,815,115	-
Total	<u>\$ 29,308,899</u>	<u>\$ (4,773,883)</u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

Deferred pension outflows totaling \$10,815,115 resulting from the District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The deferred outflows and deferred inflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized as a reduction of pension expense over five years. The deferred outflows resulting from differences between expected and actual experience, the deferred outflows resulting from changes of assumptions and the deferred outflows and deferred inflows resulting from changes in proportion and differences between District contributions and proportionate share of contributions will be recognized in pension expense using the average expected remaining service lives of all IPERS members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the Plan including retirees.

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Years ending June 30:

2020	\$ 7,618,047
2021	4,549,780
2022	532,917
2023	861,922
2024	157,235
	<u>\$ 13,719,901</u>

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

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

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

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

Iowa City Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core-plus fixed income	27.0%	1.97%
Domestic equity	22.0	6.01
International equity	15.0	6.48
Global smart beta equity	3.0	6.23
Private equity	11.0	10.81
Private real assets	7.5	4.14
Public real assets	7.0	2.91
Public credit	3.5	3.93
Private credit	3.0	3.11
Cash	1.0	(0.25)
	100.0%	

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 154,790,398	\$ 91,203,343	\$ 37,863,253

Iowa City Community School District

Notes to Basic Financial Statements

Note 7. Pension and Retirement Benefits (Continued)

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

Payables to the pension plan: At June 30, 2019, the District reported payables to the defined benefit pension plan of \$2,063,022 for legally required employer contributions and legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 8. Risk Management

The Iowa City Community School 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.

Workers' Compensation, Property, General Liability and Other Insurance: The District is a member of the Iowa Public School Insurance Program (IPSIP), a public entity risk pool formed in July of 2012 between certain Iowa school districts, created in accordance with Chapter 28E of the Code of Iowa. The purpose of IPSIP is to jointly provide or obtain casualty, property, employer liability, general liability, risk management, professional liability, group coverage and other protections so as to effectively manage and contain costs for insurance coverage and related administration. IPSIP has 24 members as of July 1, 2018. IPSIP is governed by an eleven-member board of directors elected by the members of IPSIP. The District has no direct control over budgeting, financing, the governing body or management selection.

IPSIP is not intended to function as an insurance company for the participants; rather, it is a means of combining the administration of claims and of obtaining lower insurance rates through the creation of a self-insurance pool and through the purchase of commercial insurance. The District's participation in IPSIP represents a risk-sharing pool as defined by GASB Statement No. 10 in which the District pools its risks and funds with other members and shares in the cost of losses. The District is required to make annual payments, which are determined by IPSIP, based upon its direct proportion to the pro rata share of insurance costs for coverage administered by IPSIP. IPSIP may require the participating Districts to make supplemental payments if the funds on hand are insufficient to pay expenses of the administration of IPSIP. The District was not required to make any supplemental payments to IPSIP in fiscal years 2019 or 2018. Payments to IPSIP by the District in order to maintain adequate insurance coverage in fiscal year 2019 was \$1,405,039.

Employee Health Insurance: During the year ended June 30, 2019, employees of the District were covered by the District's health and dental self-insurance plan. The contributions made by the District are part of the negotiated agreements with specific employee groups. Employees authorize payroll withholdings to pay contributions for dependents or increased coverage. Claims were paid by a third-party administrator acting on behalf of the District. The plans are authorized by Chapter 509A of the Code of Iowa.

The administrative contract between the District and the third-party administrator is renewable annually and administrative fees and stop loss premiums are included in the contractual provisions. In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop loss coverage from a private insurance company. Stop loss coverage was in effect for individual claims that exceeded \$250,000 and for an aggregate amount of 125% of expected claims.

Iowa City Community School District

Notes to Basic Financial Statements

Note 8. Risk Management (Continued)

All claim handling procedures are performed by an independent claims administrator. Liabilities are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Recognized liabilities include a provision for all estimated claims incurred but not reported. Changes in the medical claims liability amounts for the years ended June 30, 2019 and 2018 were as follows:

Self-Insurance Liability	Beginning	Claims and Changes in Estimates	Claims Payments	Ending
Health:				
2019	\$ 2,432,473	\$ 11,551,972	\$ 12,443,916	\$ 1,540,529
2018	2,206,033	13,830,976	13,604,536	2,432,473

Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of media, educational services and special education services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$6,338,197 for the year ended June 30, 2019. The District's actual constructive revenue and constructive expenses are included in the General Fund.

Note 10. Commitments

As of June 30, 2019, the District had outstanding construction commitments totaling approximately \$59,832,180, which will be paid with bond proceeds, property taxes and sales taxes.

Note 11. Nonvested Employee Benefits

District employees accumulate sick leave hours for subsequent use and can be carried over in limited amounts for use in future years. The contingent liability for this sick leave is approximately \$33,399,000 as of June 30, 2019. This liability does not vest and is not included as a liability in the statement of net position. This contingent liability has been computed based on rates of pay as of June 30, 2019.

Note 12. Contingencies

As of June 30, 2019, the District is involved in various claims and lawsuits against the District that arise in the normal course of operations, which are covered by insurance. The outcome and eventual liability of the District, if any, from these claims and any unasserted claims is not known at this time; however, management does not believe they will be material to the basic financial statements.

Note 13. Jointly Governed Organization

The District is a member of a cooperative agreement with the City of Coralville, Iowa organized under 28E of the Code of Iowa to provide for the operation of a joint swimming pool facility. The mayor of the City of Coralville, Iowa is designated as the administrator of the agreement. Under the agreement, the District is responsible for 30% of the City's costs and expenses in operating and maintaining the facility payable monthly throughout the year. For the fiscal year 2019, monthly payments were approximately \$8,297 per month, which were paid from the Physical Plant and Equipment Levy Fund.

Iowa City Community School District

Notes to Basic Financial Statements

Note 14. Other Postemployment Benefits (OPEB)

Plan description: The District’s defined benefit OPEB plan, a single health care plan provides OPEB for all active and retired employees and their eligible dependents. The plan is administered by the District and the District has the authority to establish or amend the plan provisions or contribution requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

Benefits provided: As required under Iowa Code Chapter 509A-3, the District provides postemployment health benefits. Health benefits include medical, prescription drug and dental. The benefits are provided until the participant is Medicare eligible, are self-insured by the District and administered through First Administrators, Inc.

Contributions: All participants of the postemployment medical, dental and prescription drug plan are required to contribute an amount equal to the premium equivalent. Since the premium equivalent is developed from the claims experience of active employee and retiree lives, an implicit subsidy is provided to retirees and their spouses. The implicit subsidy results from a lower premium equivalent to what a retiree would otherwise pay had the claims experience been based just on retiree health claims. The full active/retire premiums as of July 1, 2019 are as follows:

Rate Tier	Medical	Dental
Retiree only	\$ 675	\$ 33
Retiree and family	1,400	97

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

Inactive employees currently receiving benefits	60
Active employees	2,003
	2,063

Iowa City Community School District

Notes to Basic Financial Statements

Note 14. Other Postemployment Benefits (OPEB) (Continued)

Total OPEB Liability

The District's total OPEB liability of \$10,581,580 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018. Total OPEB liability attributable to governmental activities are generally liquidated by the management fund.

Actuarial methods and assumptions:

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

Inflation	3.0%
Salary increases	3.5%
Discount rate	3.5%
Health care cost trend rates	6.5% for 2019 decreasing by 0.50% per year to an ultimate rate of 4.5%
Mortality rates	RP-2014, back-projected to 2006, generational table using MP-17 and applied on a gender-specific basis

The discount rate was based on the June 30, 2019 Bond Buyer 20-Bond GO Index.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period using 24 months of historical claim experience through March 2018.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of June 30, 2018	<u>\$ 9,070,319</u>
Changes for the year:	
Service cost	1,107,946
Interest	387,356
Changes in assumptions or other inputs	354,106
Contributions and payments made	<u>(338,147)</u>
Net changes	<u>1,511,261</u>
Balance as of June 30, 2019	<u><u>\$ 10,581,580</u></u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 14. Other Postemployment Benefits (OPEB)

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

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB liability	\$ 11,583,000	\$ 10,581,580	\$ 9,640,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6% decreasing to 3.5%) or 1-percentage-point higher (8% decreasing to 5.5%) than the current health care cost trend rates:

	(5.50% Decreasing to 3.50%)	Health Care Cost Trend Rates (6.50% Decreasing to 4.50%)	(7.50% Decreasing to 5.50%)
Total OPEB liability	\$ 8,486,000	\$ 10,581,580	\$ 13,252,000

OPEB Expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2019, the District recognized OPEB expense of \$1,165,126. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions or other inputs	\$ 328,163	\$ (209,365)

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

Years ending June 30:	
2020	\$ 7,971
2021	7,971
2022	7,971
2023	7,971
2024	7,971
Thereafter	78,943
	<u>\$ 118,798</u>

Iowa City Community School District

Notes to Basic Financial Statements

Note 15. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications. The details for the District's fund balances are as follows:

Fund Balances:	General	Physical Plant and Equipment Levy	Capital Projects	Debt Service	General Obligation Bonds	Nonmajor Governmental	Total
Nonspendable, prepaids	\$ 1,472,184	\$ 48,109	\$ 46,770	\$ -	\$ -	\$ -	\$ 1,567,063
Restricted:							
Categorical funding:							
Gifted and talented program	24,263	-	-	-	-	-	24,263
Home school assistance program	395,530	-	-	-	-	-	395,530
Supplemental weighting	66,496	-	-	-	-	-	66,496
Drop out prevention	31,183	-	-	-	-	-	31,183
State preschool	5,012	-	-	-	-	-	5,012
Beginning Teacher	25,058	-	-	-	-	-	25,058
Teacher salary supplement	330,239	-	-	-	-	-	330,239
Teacher quality market factor	17,147	-	-	-	-	-	17,147
State class size reduction	45,000	-	-	-	-	-	45,000
Rec Ed programs	126	-	-	-	-	-	126
State mentoring	14,140	-	-	-	-	-	14,140
Early Literacy	70,252	-	-	-	-	-	70,252
Teacher quality-core curriculum	258	-	-	-	-	-	258
Teacher leadership program	495,357	-	-	-	-	-	495,357
Teacher quality	613,410	-	-	-	-	-	613,410
Teacher quality market factor 2008	6,245	-	-	-	-	-	6,245
Other	17,642	-	-	-	-	-	17,642
Debt service	-	-	4,058,010	819,118	-	-	4,877,128
Management levy purposes	-	-	-	-	-	3,296,338	3,296,338
Student activities	-	-	-	-	-	257,659	257,659
Capital improvements and equipment	-	505,775	-	-	59,978,057	-	60,483,832
Total restricted	2,157,358	505,775	4,058,010	819,118	59,978,057	3,553,997	71,072,315
Unassigned	11,270,502	-	-	-	-	-	11,270,502
Total fund balances	\$ 14,900,044	\$ 553,884	\$ 4,104,780	\$ 819,118	\$ 59,978,057	\$ 3,553,997	\$ 83,909,880

Iowa City Community School District

Notes to Basic Financial Statements

Note 16. Tax Abatements

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

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2019 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Coralville	Urban renewal and economic development	\$ 527,161
City of North Liberty	Urban renewal and economic development	199,813
City of Iowa City	Urban renewal and economic development	93,782
City of University Heights	Urban renewal and economic development	186,404
		<u>\$ 1,007,160</u>

The state of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2019, this reimbursement amounted to \$391,065.

Note 17. Pending Governmental Accounting Standards Board (GASB) Statements

As of June 30, 2019, the GASB had issued several Statements not yet implemented by the District. The Statements which may impact the District are as follows:

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

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

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

Iowa City Community School District

Notes to Basic Financial Statements

Note 17. Pending Governmental Accounting Standards Board (GASB) Statements (Continued)

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets.

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

The District's management has not yet determined the effect these Statements will have on the District's financial statements. However, the District plans to implement the standards by the effective date.

Iowa City Community School District

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

	June 30,	
	2019	2018
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net pension liability	1.4412107%	1.3711820%
District's proportionate share of the net pension liability	\$ 91,203,343	\$ 90,521,204
District's covered payroll	109,010,291	101,421,937
District's proportionate share of the net pension liability as a percentage of its covered payroll	83.66%	89.25%
Plan fiduciary net position as a percentage of the total pension liability	83.62%	82.21%

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

June 30,		
2017	2016	2015
June 30, 2016	June 30, 2015	June 30, 2014
1.3309690%	1.3168825%	1.3572122%
\$ 83,762,076	\$ 65,060,367	\$ 53,825,764
95,494,737	90,210,145	88,810,145
87.71%	72.12%	60.61%
81.82%	85.19%	87.61%

Iowa City Community School District

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

Fiscal year ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contributions deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2019	\$ 10,815,115	\$ 10,815,115	\$ -	\$ 114,566,896	9.44%
2018	9,734,619	9,734,619	-	109,010,291	8.93
2017	9,056,979	9,056,979	-	101,421,937	8.93
2016	8,527,680	8,527,680	-	95,494,737	8.93
2015	8,055,766	8,055,766	-	90,210,145	8.93
2014	7,930,746	7,930,746	-	88,810,145	8.93
2013	7,093,021	7,093,021	-	N/A	N/A
2012	6,149,781	6,149,781	-	N/A	N/A
2011	5,160,450	5,160,450	-	N/A	N/A
2010	4,877,682	4,877,682	-	N/A	N/A

N/A - Information was not available.

Iowa City Community School District

Notes to Required Supplementary Information—Pension Liability Iowa Public Employee's Retirement System

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

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

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

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

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

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

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

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

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

Iowa City Community School District

Required Supplementary Information

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Last 10 Fiscal Years

	2019	2018
Total OPEB liability		
Service cost	\$ 1,107,946	\$ 1,066,666
Interest	387,356	352,150
Changes of assumptions or other inputs	354,106	(245,309)
Benefit payments	(338,147)	(272,000)
Net change in total OPEB liability	1,511,261	901,507
Total OPEB liability—beginning	9,070,319	8,168,812
Total OPEB liability—ending	\$ 10,581,580	\$ 9,070,319

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

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.58%
2018	3.87
2019	3.50

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

Iowa City Community School District

Required Supplementary Information
 Budgetary Comparison Schedule
 All Governmental Funds and Enterprise Fund
 Year Ended June 30, 2019

	Governmental Fund Types Actual	Enterprise Fund Type Actual	Total Actual
Revenues:			
Local sources	\$ 109,064,699	\$ 2,853,630	\$ 111,918,329
State sources	98,667,550	50,248	98,717,798
Federal sources	7,376,387	3,971,636	11,348,023
Total revenues	215,108,636	6,875,514	221,984,150
Expenditures:			
Instruction	120,842,206	-	120,842,206
Support services	61,126,740	-	61,126,740
Noninstructional programs	636,469	6,768,123	7,404,592
Other expenditures	105,988,481	-	105,988,481
Total expenditures	288,593,896	6,768,123	295,362,019
Excess of revenues over (under) expenditures/expenses	(73,485,260)	107,391	(73,377,869)
Other financing sources, net	71,562,515	-	71,562,515
Net change in fund balances/net position	(1,922,745)	107,391	(1,815,354)
Fund balances/net position, beginning of year	85,832,625	1,041,333	86,873,958
Fund balances/net position, end of year	\$ 83,909,880	\$ 1,148,724	\$ 85,058,604

See note to required supplementary information.

Budgeted Amounts		Final to Actual Variance- Over (Under)
Original	Final	
\$ 110,565,662	\$ 110,565,662	\$ 1,352,667
98,027,305	98,027,305	690,493
10,280,000	10,280,000	1,068,023
<u>218,872,967</u>	<u>218,872,967</u>	<u>3,111,183</u>
118,011,842	123,101,517	(2,259,311)
57,841,874	62,505,375	(1,378,635)
6,707,450	8,689,581	(1,284,989)
94,165,756	121,691,252	(15,702,771)
<u>276,726,922</u>	<u>315,987,725</u>	<u>(20,625,706)</u>
<u>(57,853,955)</u>	<u>(97,114,758)</u>	<u>23,736,889</u>
<u>65,300,000</u>	<u>65,300,000</u>	<u>6,262,515</u>
<u>\$ 7,446,045</u>	<u>\$ (31,814,758)</u>	<u>\$ 29,999,404</u>

Iowa City Community School District

Note to Required Supplementary Information—Budgetary Reporting

The Board of Education annually adopts and certifies a budget by program which includes all funds except for internal service funds, agency funds and private-purpose trust funds on the GAAP basis following required public notice and hearing in accordance with the Code of Iowa. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund. These four functional areas are instruction, support services, noninstructional programs and other expenditures. The legal level of control is at the aggregated functional level, not at the fund or fund type level. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula (spending authority).

During the year ended June 30, 2019, the District adopted one budget amendment which increased the budgeted expenditures by \$39,260,803.

Iowa City Community School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2019

	Special Revenue		Total
	Management	Student Activity	Nonmajor Governmental Funds
Assets			
Cash, cash equivalents, and investments	\$ 3,252,397	\$ 358,505	\$ 3,610,902
Receivables:			
Property tax:			
Current year	16,643	-	16,643
Succeeding year	7,999,987	-	7,999,987
Other	33,158	-	33,158
Total assets	\$ 11,302,185	\$ 358,505	\$ 11,660,690
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 5,590	\$ 81,235	\$ 86,825
Due to other funds	270	18,508	18,778
Due to fiduciary funds	-	1,103	1,103
Total liabilities	5,860	100,846	106,706
Deferred inflows of resources, unavailable revenue—property tax	7,999,987	-	7,999,987
Fund balances, restricted	3,296,338	257,659	3,553,997
Total liabilities, deferred inflows of resources and fund balances	\$ 11,302,185	\$ 358,505	\$ 11,660,690

Iowa City Community School District

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

	Special Revenue		Total
	Management	Student Activity	Nonmajor Governmental Funds
Revenues:			
Local sources:			
Local tax	\$ 4,705,745	\$ -	\$ 4,705,745
Other	35,620	2,956,437	2,992,057
Interest	-	13,796	13,796
State sources	117,474	-	117,474
Total revenues	4,858,839	2,970,233	7,829,072
Expenditures:			
Current:			
Instruction:			
Regular	2,366,466	-	2,366,466
Other instruction	-	3,053,151	3,053,151
Support services:			
Administration services	873,593	-	873,593
Operations and maintenance	1,610,361	6,860	1,617,221
Transportation services	-	338,968	338,968
Total expenditures	4,850,420	3,398,979	8,249,399
Excess (deficiency) of revenues over expenditures	8,419	(428,746)	(420,327)
Other financing sources, transfers in	-	250,000	250,000
Net change in fund balances	8,419	(178,746)	(170,327)
Fund balances, beginning of year	3,287,919	436,405	3,724,324
Fund balances, end of year	\$ 3,296,338	\$ 257,659	\$ 3,553,997

Iowa City Community School District

**Statement of Changes in Fiduciary
Assets and Liabilities—Agency Funds
Year Ended June 30, 2019**

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Flexible Benefits Account				
Assets,				
cash and cash equivalents	\$ 369,154	\$ 1,330,521	\$ 1,273,723	\$ 425,952
Liabilities,				
due to private individuals	\$ 369,154	\$ 1,330,521	\$ 1,273,723	\$ 425,952
School Children's Aid				
Assets				
Cash and cash equivalents	\$ 8,024	\$ 18,629	\$ 13,053	\$ 13,600
Due from primary government	-	34	-	34
	\$ 8,024	\$ 18,663	\$ 13,053	\$ 13,634
Liabilities,				
due to private individuals	\$ 8,024	\$ 18,663	\$ 13,053	\$ 13,634
Opportunity Funds				
Assets,				
cash and cash equivalents	\$ 2,188	\$ -	\$ -	\$ 2,188
Liabilities,				
due to private individuals	\$ 2,188	\$ -	\$ -	\$ 2,188
School Based Health Clinics				
Assets				
Cash and cash equivalents	\$ 52,817	\$ 132,038	\$ 141,000	\$ 43,855
Due from primary government	-	1,137	-	1,137
	\$ 52,817	\$ 133,175	\$ 141,000	\$ 44,992
Liabilities,				
due to private individuals	\$ 52,817	\$ 133,175	\$ 141,000	\$ 44,992
Total Agency Funds				
Assets,				
cash and cash equivalents	\$ 432,183	\$ 1,482,359	\$ 1,427,776	\$ 486,766
Liabilities,				
due to private individuals	\$ 432,183	\$ 1,482,359	\$ 1,427,776	\$ 486,766

Iowa City Community School District

Statistical Section

Contents

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	73-87
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	88-91
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	92-95
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.	96-97
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	98-107

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

Iowa City Community School District

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

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	\$ 93,159,408	\$ 103,461,937	\$ 118,552,457	\$ 127,010,427
Restricted	6,784,465	34,107,364	38,265,060	38,547,315
Unrestricted	33,609,893	20,434,179	26,988,542	28,366,297
Total governmental activities				
net position	\$ 133,553,766	\$ 158,003,480	\$ 183,806,059	\$ 193,924,039
Business-type activities:				
Net investment in capital assets	\$ 498,303	\$ 434,533	\$ 372,306	\$ 577,047
Unassigned	2,752,849	3,102,508	3,340,591	3,227,351
Total business-type activities				
net position	\$ 3,251,152	\$ 3,537,041	\$ 3,712,897	\$ 3,804,398
Primary government:				
Net investment in capital assets	\$ 93,657,711	\$ 103,896,470	\$ 118,924,763	\$ 127,587,474
Restricted	6,784,465	34,107,364	38,265,060	38,547,315
Unrestricted	36,362,742	23,536,687	30,329,133	31,593,648
Total primary government				
net position	\$ 136,804,918	\$ 161,540,521	\$ 187,518,956	\$ 197,728,437

(1) Unrestricted net position declined significantly in fiscal year 2015 for both governmental and business-type activities due to the impact of GASB 68 compliance and a resulting impact of a new net pension liability of \$53,825,764 shared between governmental and business-type activities at \$52,732,793 and business-type activities at \$1,092,971.

(2) Unrestricted net position in fiscal year 2018 declined significantly for governmental activities due to the impact of GASB 75 compliance and a resulting impact of a new other postemployment benefit liability of \$9,070,319. Unrestricted net position also declined due to purchases of capital assets and issuance of debt in accordance with the District's master Plan.

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 144,275,207	\$ 176,170,719	\$ 203,709,702	\$ 216,162,177	\$ 232,565,407	\$ 257,625,723
34,835,478	18,444,336	36,650,711	14,880,016	3,457,317	6,960,886
21,012,594	(33,554,068)	(60,864,399)	(32,992,743)	(40,392,948)	(59,302,159)
\$ 200,123,279	\$ 161,060,987	\$ 179,496,014	\$ 198,049,450	\$ 195,629,776	\$ 205,284,450
\$ 528,075	\$ 518,311	\$ 528,403	\$ 513,229	\$ 543,571	\$ 514,491
2,983,964	1,418,780	1,081,678	1,417,772	1,494,227	1,823,380
\$ 3,512,039	\$ 1,937,091	\$ 1,610,081	\$ 1,931,001	\$ 2,037,798	\$ 2,337,871
\$ 144,803,282	\$ 176,689,030	\$ 204,238,105	\$ 216,675,406	\$ 233,108,978	\$ 258,140,214
34,835,478	18,444,336	36,650,711	14,880,016	3,457,317	6,960,886
23,996,558	(32,135,288)	(59,782,721)	(31,574,971)	(38,898,721)	(57,478,779)
\$ 203,635,318	\$ 162,998,078	\$ 181,106,095	\$ 199,980,451	\$ 197,667,574	\$ 207,622,321

Iowa City Community School District

**Expenses, Program Revenues and Net (Expense) Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2010	2011	2012	2013
Expenses:				
Governmental activities:				
Instruction	\$ 85,736,202	\$ 88,288,063	\$ 91,391,355	\$ 100,951,730
Support services:				
Student services	4,189,268	3,833,693	4,612,635	4,942,088
Instructional services	5,950,476	6,017,524	6,708,676	6,962,932
Administration services	9,894,942	9,113,670	10,421,294	11,401,516
Operation and maintenance of plant	12,031,969	12,285,578	13,348,760	14,845,156
Pupil transportation services	4,440,490	4,791,918	5,489,138	5,396,481
Other, primarily AEA flowthrough	4,798,409	4,973,519	4,616,969	4,889,195
Noninstructional programs	47,444	6,026	93,018	466,024
Interest on long-term debt	958,922	882,375	857,422	390,685
Total governmental activities expenses	128,048,122	130,192,366	137,539,267	150,245,807
Business-type activities, nutrition	4,177,028	4,158,824	4,432,821	4,821,834
Total primary government expenses	\$ 132,225,150	\$ 134,351,190	\$ 141,972,088	\$ 155,067,641
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 3,494,113	\$ 3,703,065	\$ 3,213,735	\$ 1,891,858
Support services	102,924	122,442	107,478	176,884
Operating grants and contributions	25,053,119	23,180,191	21,043,495	20,880,498
Capital grants and contributions	-	-	-	1,889,776
Total governmental activities program revenue	28,650,156	27,005,698	24,364,708	24,839,016
Business-type activities:				
Charges for services, nutrition				
	2,262,408	2,175,411	2,244,238	2,245,333
Operating grants and contributions	2,106,387	2,262,074	2,358,944	2,662,433
Capital grants and contributions	-	-	-	-
Total business-type program revenues	4,368,795	4,437,485	4,603,182	4,907,766
Total primary government program revenues	\$ 33,018,951	\$ 31,443,183	\$ 28,967,890	\$ 29,746,782
Net (expense) revenue:				
Governmental activities	\$ (99,397,966)	\$ (103,186,668)	\$ (113,174,559)	\$ (125,406,791)
Business-type activities	191,767	278,661	170,361	85,942
Total primary government net expense	\$ (99,206,199)	\$ (102,908,007)	\$ (113,004,198)	\$ (125,320,849)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 104,733,457	\$ 100,335,876	\$ 107,177,328	\$ 113,110,337	\$ 127,747,232	\$ 132,870,361
4,686,664	4,499,186	4,835,646	4,557,940	5,933,064	6,407,546
7,427,014	6,446,914	9,576,097	10,152,792	11,199,206	11,538,206
12,506,153	12,221,714	13,741,415	15,461,765	17,946,142	17,815,225
15,423,524	14,800,540	15,242,048	16,342,729	18,877,434	19,415,295
5,726,049	5,565,497	4,593,145	4,602,541	5,000,963	5,056,479
5,224,132	5,585,294	5,689,143	5,941,833	6,197,252	6,599,916
563,138	605,079	368,506	677,754	745,049	651,022
200,128	229,081	1,925,504	2,139,432	3,831,530	5,200,637
156,490,259	150,289,181	163,148,832	172,987,123	197,477,872	205,554,687
5,491,953	5,822,005	6,189,701	6,036,498	6,481,988	6,575,441
\$ 161,982,212	\$ 156,111,186	\$ 169,338,533	\$ 179,023,621	\$ 203,959,860	\$ 212,130,128
\$ 2,071,749	\$ 1,360,834	\$ 1,013,403	\$ 1,658,135	\$ 1,820,632	\$ 2,045,298
205,142	210,215	250,620	306,451	337,003	346,680
20,109,977	24,461,796	28,901,876	25,806,402	26,877,570	27,383,727
207,457	939,553	641,945	191,741	904,490	145,597
22,594,325	26,972,398	30,807,844	27,962,729	29,939,695	29,921,302
2,260,342	2,320,574	2,357,084	2,626,442	2,659,506	2,819,280
2,929,125	3,212,336	3,498,804	3,722,874	3,912,283	4,021,884
-	-	-	-	-	-
5,189,467	5,532,910	5,855,888	6,349,316	6,571,789	6,841,164
\$ 27,783,792	\$ 32,505,308	\$ 36,663,732	\$ 34,312,045	\$ 36,511,484	\$ 36,762,466
\$ (133,895,934)	\$ (129,078,091)	\$ (132,340,988)	\$ (145,024,394)	\$ (167,538,177)	\$ (175,633,385)
(302,486)	(289,094)	(333,813)	312,818	89,801	265,723
\$ (134,198,420)	\$ (129,367,185)	\$ (132,674,801)	\$ (144,711,576)	\$ (167,448,376)	\$ (175,367,662)

Iowa City Community School District

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

	Fiscal Year		
	2010	2011	2012
Net (expense) revenue:			
Governmental activities	\$ (99,397,966)	\$ (103,186,668)	\$ (113,174,559)
Business-type activities	191,767	278,661	170,361
Total primary government net expense	(99,206,199)	(102,908,007)	(113,004,198)
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes levied for general purposes	52,974,155	57,971,131	59,722,769
Property taxes levied for capital projects	7,481,779	7,769,270	8,026,572
Property taxes levied debt service	3,524,683	3,382,231	3,599,933
Sales taxes provided for capital projects	13,207,890	13,643,664	13,833,210
Unrestricted grants and contributions	33,877,697	40,987,077	45,509,708
Investment earnings	317,079	197,048	268,335
Gain on sale of capital assets	-	-	4,384,550
Other	3,739,877	3,685,961	3,632,061
Total governmental activities	115,123,160	127,636,382	138,977,138
Business-type activities, investment earnings	8,622	7,228	5,495
Total primary government	115,131,782	127,643,610	138,982,633
Change in net position:			
Governmental activities	15,725,194	24,449,714	25,802,579
Business-type activities	200,389	285,889	175,856
Total primary government	\$ 15,925,583	\$ 24,735,603	\$ 25,978,435

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
\$ (125,406,791)	\$ (133,895,934)	\$ (123,316,783)	\$ (132,340,988)	\$ (145,024,394)	\$ (167,538,177)	\$ (175,633,385)
85,942	(302,486)	(289,094)	(333,813)	312,818	89,801	265,723
(125,320,849)	(134,198,420)	(123,605,877)	(132,674,801)	(144,711,576)	(167,448,376)	(175,367,662)
60,395,065	61,055,235	63,617,123	66,430,760	71,261,883	74,276,771	76,056,596
8,389,497	8,705,266	9,151,358	9,287,340	9,999,172	10,428,235	10,939,315
3,502,939	3,310,092	3,278,652	3,259,578	3,294,159	3,301,317	12,808,824
10,813,815	11,125,642	12,515,712	12,815,660	13,096,050	13,165,538	14,300,041
48,024,527	52,004,652	56,396,516	57,802,551	64,814,688	65,993,465	67,212,823
253,529	216,168	233,928	465,432	461,313	1,379,124	2,782,746
-	4,571	-	-	-	-	-
4,145,399	3,673,548	1,462,366	714,694	850,565	1,621,865	1,187,714
135,524,771	140,095,174	146,655,655	150,776,015	163,777,830	170,166,315	185,288,059
5,559	10,127	7,509	6,803	8,102	16,996	34,350
135,530,330	140,105,301	146,663,164	150,782,818	163,785,932	170,183,311	185,322,409
10,117,980	6,199,240	23,338,872	18,235,027	18,753,436	2,628,138	9,654,674
91,501	(292,359)	(281,585)	(327,010)	320,920	106,797	300,073
\$ 10,209,481	\$ 5,906,881	\$ 23,057,287	\$ 17,908,017	\$ 19,074,356	\$ 2,734,935	\$ 9,954,747

Iowa City Community School District

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

	Fiscal Year		
	2010	2011	2012
General Fund:			
Nonspendable	\$ -	\$ 771,671	\$ 876,455
Restricted	-	3,516,243	3,621,399
Committed	-	-	-
Assigned	-	502,365	609,563
Unassigned	-	9,292,774	15,382,598
Reserved	3,539,004	-	-
Unreserved	4,396,154	-	-
Total General Fund	\$ 7,935,158	\$ 14,083,053	\$ 20,490,015
All other governmental funds:			
Nonspendable	\$ -	\$ -	\$ 50,372
Restricted	-	30,174,302	34,446,676
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Reserved	186,277	-	-
Unreserved, reported in:	-	-	-
Special revenue funds	4,944,259	-	-
Capital projects funds	19,289,186	-	-
Total all other governmental funds	\$ 24,419,722	\$ 30,174,302	\$ 34,497,048

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in fiscal year 2011.

							Fiscal Year
2013	2014	2015	2016	2017	2018	2019	
\$ 996,786	\$ 1,174,203	\$ 1,095,801	\$ 1,127,628	\$ 1,251,954	\$ 1,395,556	\$ 1,472,184	
3,642,566	3,575,202	3,303,867	3,963,463	4,030,600	2,478,299	2,157,358	
-	-	-	-	-	-	-	
669,699	877,237	-	-	-	-	-	
13,271,679	8,112,212	11,544,614	15,339,260	18,550,551	17,237,568	11,270,502	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
\$ 18,580,730	\$ 13,738,854	\$ 15,944,282	\$ 20,430,351	\$ 23,833,105	\$ 21,111,423	\$ 14,900,044	
\$ -	\$ -	\$ 1,540	\$ 1,310	\$ 267,973	\$ 137,692	\$ 94,879	
34,939,533	31,288,237	16,413,698	34,191,190	12,713,261	64,583,510	68,914,957	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
\$ 34,939,533	\$ 31,288,237	\$ 16,415,238	\$ 34,192,500	\$ 12,981,234	\$ 64,721,202	\$ 69,009,836	

Iowa City Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2010	2011	2012
Federal sources, federal grants	\$ 11,278,777	\$ 8,222,274	\$ 8,321,085
State sources, state grants and other	46,487,840	53,955,043	58,148,506
Local sources:			
Ad valorem taxes	76,978,507	83,201,298	85,292,389
Interest and other income	60,266	42,246	191,372
Other revenues	8,623,115	9,251,854	6,712,504
Total local sources	85,661,888	92,495,398	92,196,265
Total revenues	\$ 143,428,505	\$ 154,672,715	\$ 158,665,856

							Fiscal Year
2013	2014	2015	2016	2017	2018	2019	
\$ 7,463,516	\$ 5,861,754	\$ 6,379,586	\$ 6,580,460	\$ 6,678,886	\$ 7,321,701	\$ 7,376,387	
61,319,723	77,184,727	83,805,768	90,008,338	93,878,875	95,391,484	98,667,550	
82,777,217	72,945,024	76,047,134	78,977,678	84,555,214	88,006,322	99,804,738	
161,781	125,569	124,419	407,023	363,541	1,215,219	2,436,360	
8,767,902	7,022,831	7,812,866	6,153,188	6,111,910	7,512,810	6,823,601	
91,706,900	80,093,424	83,984,419	85,537,889	91,030,665	96,734,351	109,064,699	
\$ 160,490,139	\$ 163,139,905	\$ 174,169,773	\$ 182,126,687	\$ 191,588,426	\$ 199,447,536	\$ 215,108,636	

Iowa City Community School District

**Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2010	2011	2012	2013
Instruction	\$ 80,550,680	\$ 85,334,071	\$ 85,181,022	\$ 93,842,840
Pupil personnel services	4,082,113	3,853,422	4,609,186	4,854,053
Instruction and curriculum development services	5,796,009	6,119,871	6,585,642	7,040,962
School administration	9,817,405	9,474,078	10,180,266	11,052,695
Plant operation and maintenance	10,468,714	10,877,956	11,207,615	12,219,182
Pupil transportation services	4,440,490	4,791,918	5,489,138	5,396,481
AEA flowthrough	4,766,004	4,940,696	4,587,779	4,861,844
Community services	38,690	34,444	27,462	531,573
Noncapital facilities acquisition/construction	3,145,655	2,158,361	4,542,517	8,785,850
Capital outlay, facilities acquisition/construction	14,027,658	11,619,445	16,458,827	9,877,428
Debt service:				
Principal	2,530,000	2,655,000	7,405,000	2,825,000
Interest	988,452	910,978	823,708	669,031
Bond issuance costs	-	-	83,266	-
Total expenditures	\$ 140,651,870	\$ 142,770,240	\$ 157,181,428	\$ 161,956,939
Debt service as a percentage of noncapital expenditures	2.78%	2.72%	5.85%	2.30%

Fiscal Year						
	2014	2015	2016	2017	2018	2019
\$	96,348,768	\$ 100,113,327	\$ 101,899,548	\$ 109,549,193	\$ 116,166,464	\$ 120,842,206
	4,464,944	4,877,624	4,763,197	4,557,202	5,263,475	5,877,007
	7,409,098	6,585,412	9,713,120	9,994,547	10,858,679	11,232,600
	11,578,554	11,955,731	12,582,260	13,890,404	15,398,662	16,040,462
	13,580,269	13,229,990	13,092,362	14,138,848	15,702,415	16,581,995
	5,726,049	5,565,497	4,593,145	4,602,541	5,000,963	5,056,479
	5,193,678	5,551,884	5,654,082	5,906,772	6,162,191	6,338,197
	542,712	623,877	385,765	669,560	729,280	636,469
	4,401,635	947,459	2,188,919	745,028	5,198,509	1,025,704
	19,092,591	42,850,527	59,615,069	57,975,011	47,648,288	79,812,987
	2,885,000	3,735,000	7,775,000	7,235,000	10,879,607	19,212,478
	417,400	422,161	2,325,183	2,817,832	4,423,206	5,710,654
	-	-	-	-	-	226,658
\$	171,640,698	\$ 196,458,489	\$ 224,587,650	\$ 232,081,938	\$ 243,431,739	\$ 288,593,896
	2.28%	2.71%	6.12%	5.82%	7.82%	11.97%

Iowa City 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)

	Fiscal Year		
	2010	2011	2012
Excess of revenues over (under) expenditures	\$ 2,776,635	\$ 11,902,475	\$ 1,484,428
Other financing sources (uses):			
General long-term debt issued	\$ -	\$ -	\$ 15,890,000
Premium on bond issuance	-	-	1,232,599.00
Discount on bond issuance	-	-	-
Payment to bond escrow agent	-	-	(12,376,759.00)
Other, including sale of capital assets	-	-	4,499,440.00
Capital lease financing	-	-	-
Transfers in	182,000	182,000	182,000
Transfers out	(182,000)	(182,000)	(182,000)
Total other financing sources (uses)	-	-	9,245,280
Net change in fund balances	\$ 2,776,635	\$ 11,902,475	\$ 10,729,708

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
\$ (1,466,800)	\$ (8,500,793)	\$ (22,288,716)	\$ (42,460,963)	\$ (40,493,512)	\$ (43,984,203)	\$ (73,485,260)
\$ -	\$ -	\$ 9,430,000	\$ 60,030,000	\$ 21,185,000	\$ 89,240,000	\$ 66,645,000
-	-	191,145	4,694,294	-	3,491,252	4,917,515
-	-	-	-	-	(73,328)	-
-	-	-	-	-	-	-
-	7,621	-	-	-	344,565	-
-	-	-	-	1,500,000	-	-
172,000	182,000	1,056,061	6,729,315	8,937,632	13,214,213	12,383,653
(172,000)	(182,000)	(1,056,061)	(6,729,315)	(8,937,632)	(13,214,213)	(12,383,653)
-	7,621	9,621,145	64,724,294	22,685,000	93,002,489	71,562,515
\$ (1,466,800)	\$ (8,493,172)	\$ (12,667,571)	\$ 22,263,331	\$ (17,808,512)	\$ 49,018,286	\$ (1,922,745)

Iowa City Community School District

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

Fiscal Year	Actual Value			Total Actual Value	Total Taxable Value	Total Direct Rate
	Residential Property	Commercial Property	Agricultural and Other Property			
2010*	\$ 5,712,285,320	\$ 1,959,711,962	\$ 148,264,569	\$ 7,820,261,851	\$ 4,473,488,984	14.191%
2011	5,868,493,394	1,985,199,157	147,989,706	8,001,682,257	4,643,640,687	14.690
2012	6,051,524,322	1,943,695,634	154,268,256	8,149,488,212	4,806,027,801	14.590
2013	6,300,549,300	2,064,767,753	182,998,016	8,548,315,069	5,010,901,831	14.073
2014	6,560,418,660	2,080,459,785	180,298,716	8,821,177,161	5,200,640,964	13.688
2015	7,083,834,010	2,025,642,591	189,592,895	9,299,069,496	5,471,006,291	13.700
2016	7,287,199,580	2,082,744,148	187,200,825	9,557,144,553	5,600,477,037	13.868
2017	7,777,625,340	2,364,423,414	85,321,327	10,227,370,081	5,978,490,538	13.989
2018	8,017,837,490	2,443,440,521	76,091,940	10,537,369,951	6,229,388,162	13.958
2019	8,828,930,000	2,610,622,092	55,837,000	11,495,389,092	6,543,211,455	14.856

Source: Johnson County Auditor.

Note: The actual values are determined as of January 1, of the fiscal year indicated. These actual values are used to calculate the taxable values for the second budget following assessment date. For example, the total actual value of \$10,227,370,081 from January 1, 2017 are used for the taxable values for fiscal year 2019.

* Utility and gas and electric valuations are not included for 2019 as they have not been certified by the Department of Revenue

Iowa City Community School District

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

Fiscal Year Ended June 30	District Direct Rates				Overlapping Rates			
	General Purposes	Capital Purposes	Debt Service Purposes	Total	County	City of Iowa City	Area School	Other
2010	11.734	\$ 1.670	\$ 0.787	\$ 14.191	\$ 7.386	\$ 17.853	\$ 0.840	\$ 0.326
2011	12.293	1.670	0.727	14.690	7.222	17.756	0.926	0.321
2012	12.171	1.670	0.749	14.590	6.990	17.842	0.999	0.333
2013	11.706	1.670	0.697	14.073	6.749	17.269	1.079	0.329
2014	11.383	1.670	0.635	13.688	6.737	16.805	1.065	0.344
2015	11.432	1.670	0.598	13.700	6.742	16.705	1.058	0.323
2016	11.612	1.670	0.586	13.868	6.903	16.651	1.061	0.328
2017	11.771	1.670	0.550	13.991	6.771	16.583	1.080	0.324
2018	11.760	1.670	0.529	13.959	6.851	16.333	1.132	0.330
2019	11.231	1.670	1.955	14.856	6.536	16.183	1.203	0.306

Source: Johnson County Auditor and Iowa Department of Management.

Iowa City Community School District

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

Taxpayer	2019			2010		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Coral Ridge Mall LLC	\$ 76,315,500	1	1.17%	\$ 69,878,000	2	1.56%
Rise at Riverfront Crossing Owner LLC	55,704,910	2	-	-	-	-
American College Testing Program, Inc.	51,516,080	3	0.79	45,634,391	3	1.02
Hawkeye Housing LLC	50,166,360	4	0.77	-	-	-
Tailwind Iowa City LLC	42,542,070	5	-	-	-	-
City of Coralville	37,848,500	6	0.58	28,495,100	4	0.64
808 on 5th LLC	36,777,100	7	0.56	-	-	-
Hy-Vee Inc	30,962,900	8	0.47	-	-	-
Vesper Iowa City LLC	29,430,480	9	0.45	-	-	-
Hawk Landlors (IA) LLC	29,376,100	10	0.45	-	-	-
Mid American Energy Co	-	-	-	90,527,958	1	2.02
Raycal Iowa LTD	-	-	-	24,625,490	5	0.55
Individual	-	-	-	22,894,477	6	0.51
City Center Partners	-	-	-	21,482,220	7	0.48
ITC Midwest LLC	-	-	-	20,552,153	8	0.46
Individual	-	-	-	19,794,600	9	0.44
Plaza Towers LLC	-	-	-	17,101,360	10	0.38
All other taxpayers	6,102,571,455	-	-	4,112,503,235	-	-
Total	\$ 6,543,211,455			\$ 4,473,488,984		

Source: Johnson County Auditor.

Iowa City Community School District

Property Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Delinquent Tax Collections ¹	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 58,801,491	\$ 58,703,329	99.85%	\$ -	\$ 58,703,329	99.89%
2011	63,761,728	63,688,547	99.88	11,073	63,699,620	99.90
2012	65,691,101	65,569,688	99.82	3,721	65,573,409	99.82
2013	66,443,766	66,421,113	99.96	4,512	66,425,625	99.97
2014	65,648,860	65,594,662	99.92	-	65,594,662	99.92
2015	68,524,114	69,442,154	101.34	3,060	69,445,214	101.34
2016	71,037,013	71,874,564	101.18	-	71,874,564	101.18
2017	77,594,186	77,537,625	99.93	769	77,538,394	99.93
2018	80,680,381	80,666,569	99.98	20,410	80,686,979	100.01
2019	92,349,637	92,238,102	99.88	7,644	92,245,746	99.89

Source: Johnson County Auditor and District records.

¹ Delinquent tax collection is presented by collection year, rather than levy year, because information is not available from Johnson County Treasurer by levy year.

Iowa City Community School District

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds Outstanding	Percent of Actual Taxable Value of Property	Per Capita	Other Governmental Activities Debt	
				Capital Loan Notes	Sales Tax Revenue Bonds
2010	\$ 24,284,620	0.62%	\$ 232.31	\$ -	\$ -
2011	21,603,863	0.46	195.50	-	-
2012	18,874,126	0.37	163.55	-	-
2013	16,048,419	0.30	137.86	-	-
2014	12,874,476	0.24	111.64	-	-
2015	9,866,080	0.18	89.69	8,630,000	-
2016	6,633,240	0.12	60.30	7,830,000	60,352,252
2017	3,370,969	0.06	29.57	7,015,000	77,642,502
2018	62,266,534	0.95	541.45	6,190,000	100,898,395
2019	122,977,663	1.87	1,068.18	5,355,000	92,859,513

	Capital Lease	Total Primary Government	Percentage of	
			Personal Income	Per Capita
2010	\$ -	\$ 24,284,620	*	\$ 232.31
2011	-	21,603,863	*	195.50
2012	-	18,874,126	*	163.55
2013	-	16,048,419	*	137.86
2014	-	12,874,476	*	111.64
2015	-	18,496,080	*	168.14
2016	-	74,815,492	*	680.12
2017	-	88,028,471	*	772.18
2018	-	169,354,929	*	1,472.66
2019	752,914	221,945,090	*	1,927.81

Source: District records

* Information not available

Iowa City Community School District

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2019
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
City of Iowa City	39,935,000	99.998%	\$ 39,934,201
City of Coralville	296,675,681	75.520	224,049,474
City of North Liberty	29,795,000	68.298	20,349,389
City of Hills	681,000	100.000	681,000
Kirkwood Community College	80,231,000	73.648	59,088,527
Johnson County	5,145,000	73.598	3,786,617
City of University Heights	1,680,000	100.000	1,680,000
Subtotal, overlapping debt			349,569,208
District direct debt			221,945,091
Total direct and overlapping debt			\$ 571,514,299

Source: Johnson County Auditor

* Estimate is based upon overlapping total assessed value and assessed value within Iowa City Community School District boundaries.

Iowa City Community School District

Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013
Debt limit	\$ 374,506,391	\$ 383,874,475	\$ 391,013,093	\$ 400,084,113
Total net debt applicable to limit	24,160,000	21,505,000	17,990,000	15,165,000
Legal debt margin	<u>\$ 350,346,391</u>	<u>\$ 362,369,475</u>	<u>\$ 373,023,093</u>	<u>\$ 384,919,113</u>
Total net debt applicable to the limit as a percentage of debt limit	6.45%	5.60%	4.60%	3.79%

Source: Johnson County Auditor and District records.

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value—2017 valuation	\$ 10,427,198,940
Debt limit (5% of assessed value)	\$ 521,359,947
Debt applicable to limit	120,450,000
Legal debt margin	\$ 400,909,947

2014	2015	2016	2017	2018	2019
\$ 407,474,411	\$ 427,415,753	\$ 441,058,858	\$ 477,857,228	\$ 487,929,188	\$ 521,359,947
12,280,000	9,345,000	6,320,000	10,220,000	65,145,000	120,450,000
\$ 395,194,411	\$ 418,070,753	\$ 434,738,858	\$ 467,637,228	\$ 422,784,188	\$ 400,909,947

3.01%	2.19%	1.43%	2.13%	13.35%	23.10%
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Iowa City Community School District

**Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)**

Calendar Year	Iowa City Population	Total District Population (approximate)	Personal Income (000's) (Johnson County)	Per Capita Personal Income (Johnson County)	Iowa City MSA Unemployment Rate
2009	67,062	104,000	*	*	5.10%
2010	67,862	110,000	*	*	5.00
2011	67,862	110,000	*	*	4.30
2012	67,862	110,000	*	*	3.80
2013	67,862	110,000	*	*	3.10
2014	67,862	110,000	*	*	2.50
2015	67,862	110,000	*	*	3.30
2016	67,862	114,000	*	*	2.80
2017	67,862	115,000	*	*	2.00
2018	67,862	115,000	*	*	2.10

* Information not available

Source: City of Iowa City and Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce, Iowa Workforce Development (August 2017) and Johnson County Auditor.

Iowa City Community School District

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

Employer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
The University of Iowa	18,330	1	18.40%	25,387	1	27.21%
The University of Iowa Hospitals and Clinics	8,704	2	8.74	9,682	2	0.10
Iowa City Community School District	2,346	3	2.36	1,676	3	0.02
Mercy Hospital	1,643	4	1.65	1,266	6	1.36
Veterans Health Administraton	1,351	5	1.36	1,351	5	1.45
American College Testing	1,350	6	1.36	1,221	7	1.31
Pearson Educational Measurement	1,200	7	1.20	1,400	4	1.50
Hy-Vee Food Stores, Inc.	1,166	8	1.17	1,500	8	1.61
City of Iowa City	1,108	9	1.11	-	-	-
Systems Unlimited	838	10	0.84	838	9	0.90
International Automotive Comp (formerly United Tech)	750	11	0.75	-	-	-
Schenker Logistics	632	12	0.63	-	-	-
Wal-Mart	602	13	0.60	-	-	-
Rockwell International	-	-	-	828	10	0.89
All other employers	59,580	-	-	48,151	-	-
Total	99,600		43.16%	93,300		42.03%

Source: Iowa Workforce Development and Iowa City Area Development (2016 data).

Iowa City Community School District

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

	Full-Time Equivalent Employees as of June 30			
	2010	2011	2012	2013
Supervisory:				
Instructional administrators	1.50	1.00	1.00	1.00
Noninstructional administrators	8.00	9.00	9.60	10.60
Athletic/activity directors	2.00	2.00	2.00	2.00
Principals	23.50	24.00	23.50	23.50
Assistant principals	8.50	7.00	7.00	6.00
Total supervisory	43.50	43.00	43.10	43.10
Instruction:				
Elementary classroom teachers	349.46	349.08	349.71	372.77
Secondary classroom teachers	230.25	230.82	238.13	260.50
Other classroom teachers	214.85	219.01	204.40	208.82
Paraprofessionals	311.90	307.70	336.18	382.95
Total instruction	1,106.46	1,106.61	1,128.42	1,225.04
Student services:				
Guidance counselors	29.05	29.93	29.30	31.10
Media specialists	26.80	26.82	26.80	25.80
Other professionals (noninstructional)	27.00	29.00	33.00	29.00
Consultants/supervisory	14.33	11.98	9.14	11.03
Total student services	97.18	97.73	98.24	96.93
Support and administration:				
Clerical/secretarial	109.00	111.00	109.50	112.00
Food service workers	93.00	87.00	76.63	81.38
Physical plant	117.80	116.20	117.70	116.90
Other	16.00	14.00	16.00	11.00
Total support and administration	335.80	328.20	319.83	321.28
Total	1,582.94	1,575.54	1,589.59	1,686.35

Source: District records

Full-Time Equivalent Employees as of June 30							Percentage Change
2014	2015	2016	2017	2018	2019	2010 - 2019	
1.00	1.00	2.00	2.00	2.00	2.00	33.33%	
17.20	16.50	14.50	18.00	17.00	17.30	116.25%	
2.50	2.50	2.50	2.50	3.50	3.50	75.00%	
23.50	23.50	24.50	26.00	27.00	28.00	19.15%	
7.50	6.50	7.00	7.00	9.00	12.00	41.18%	
51.70	50.00	50.50	55.50	58.50	62.80	44.37%	
390.44	384.64	403.48	415.62	435.26	438.48	25.47%	
267.56	255.64	265.83	261.32	281.24	284.94	23.75%	
229.12	235.97	243.38	245.09	251.75	281.39	30.97%	
382.12	383.96	362.71	375.10	438.05	469.53	50.54%	
1,269.24	1,260.21	1,275.40	1,297.13	1,406.30	1,474.34	33.25%	
33.40	29.72	27.79	27.50	31.80	34.30	18.07%	
27.00	26.00	25.80	25.80	27.75	28.50	6.34%	
39.00	39.00	45.00	44.00	46.25	49.19	82.19%	
8.70	9.76	8.50	43.40	47.06	45.28	215.98%	
108.10	104.48	107.09	140.70	152.86	157.27	61.83%	
122.00	122.00	124.00	115.00	122.97	133.63	22.60%	
78.63	73.00	84.33	90.25	102.29	102.75	10.48%	
123.75	130.06	124.44	127.37	138.25	145.25	23.30%	
15.00	18.00	20.00	18.00	24.00	27.00	68.75%	
339.38	343.06	352.77	350.62	387.51	408.63	21.69%	
1,768.42	1,757.75	1,785.76	1,843.95	2,005.17	2,103.04	32.86%	

Iowa City Community School District

Operating Statistics Last Ten Fiscal Years (Unaudited)

Fiscal Year	Official Enrollment	Operating Expenses	Cost Per Pupil	Percentage Change
2010	11,903	\$ 127,089,200	\$ 10,677	3.91%
2011	12,011	129,309,991	10,766	0.83
2012	12,454	136,681,845	10,975	1.94
2013	12,774	149,855,123	11,731	6.89
2014	13,159	156,290,131	11,877	1.23
2015	13,328	150,289,181	11,276	(5.06)
2016	13,671	163,148,832	11,934	5.83
2017	13,982	170,847,691	12,219	2.39
2018	14,198	193,646,342	13,639	11.62
2019	14,285	200,278,890	14,020	2.79

Source: District records

Note: Operating expenditures represents governmental activity expenditures less interest on long-term debt. Expenses represent business-type activity expenses, which includes the District's School Nutrition Fund.

Expenses	Cost Per Pupil	Percentage Change	Teaching Staff (in FTE)	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
\$ 4,177,029	\$ 351	2.03%	794.56	14.98	29.05%
4,158,824	346	(1.42)	798.91	15.03	29.60
4,432,821	356	2.89	792.24	15.72	29.43
4,821,834	377	5.89	842.09	15.17	33.76
5,507,940	419	11.14	887.12	14.83	35.06
5,822,005	437	4.29	876.25	15.21	33.74
6,189,701	453	3.67	912.69	14.98	35.73
6,036,498	432	(4.63)	922.03	15.16	36.93
6,481,988	456	5.55	968.25	14.66	37.40
6,575,441	460	0.01	1004.81	14.22	38.90

Iowa City Community School District

School Building Information Last Ten Fiscal Years (Unaudited)

School	Fiscal Year			
	2010	2011	2012	2013
Elementary:				
Coralville Central Elementary (1948,1959)				
Square feet	52,967	52,967	52,967	52,967
Capacity	462	462	462	506
Enrollment	430	430	437	445
Samuel Kirkwood Elementary (1963,1968,1987)				
Square feet	48,045	48,045	48,045	48,045
Capacity	352	352	352	437
Enrollment	345	314	321	319
Herbert Hoover Elementary (1954, 1968, 1986)				
Square feet	36,643	36,643	36,643	36,643
Capacity	330	330	330	437
Enrollment	362	377	375	372
Hills Elementary (1965, 1969)				
Square feet	24,449	24,449	24,449	24,449
Capacity	220	220	220	276
Enrollment	126	98	110	112
Ernest Horn Elementary (1969, 1978, 2011)				
Square feet	35,303	35,303	50,603	50,603
Capacity	286	286	436	506
Enrollment	331	363	364	461
Helen Lemme Elementary (1970, 1975, 1998)				
Square feet	36,293	36,293	36,293	36,293
Capacity	308	308	308	368
Enrollment	332	338	344	372
Lincoln Elementary (1926, 1988)				
Square feet	25,832	25,832	25,832	25,832
Capacity	220	220	220	253
Enrollment	263	250	241	246
Longfellow Elementary (1917)				
Square feet	30,148	30,148	30,148	30,148
Capacity	308	308	308	391
Enrollment	311	318	349	334
Robert Lucas Elementary (1962, 1978, 1990)				
Square feet	42,080	42,080	42,080	42,080
Capacity	418	418	418	506
Enrollment	416	411	441	436
Horace Mann Elementary (1917)				
Square feet	29,360	29,360	29,360	29,360
Capacity	286	286	286	345
Enrollment	259	250	245	260
Penn Elementary (1961, 1985, 1995)				
Square feet	38,838	38,838	38,838	38,838
Capacity	418	418	418	460
Enrollment	511	464	502	516

(Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
52,967	52,967	52,967	52,967	52,967	52,967
506	506	506	506	506	506
426	40	422	439	431	426
48,045	48,045	48,045	48,045	48,045	48,045
437	437	437	437	437	437
378	363	314	343	324	350
36,643	36,643	36,643	36,643	36,643	36,643
437	437	437	437	437	437
325	311	272	261	256	259
24,449	24,449	24,449	24,449	24,449	24,449
276	276	276	276	276	276
100	111	184	199	198	188
50,603	50,603	50,603	50,603	50,603	50,603
506	506	506	506	506	506
464	493	500	480	413	389
36,293	36,293	36,293	36,293	36,293	36,293
368	368	368	368	368	368
399	407	395	377	376	394
25,832	25,832	25,832	25,832	25,832	25,832
253	253	253	253	253	253
239	237	239	227	228	214
30,148	30,148	30,148	30,148	30,148	30,148
391	391	391	391	391	391
322	329	338	336	304	338
42,080	42,080	42,080	42,080	42,080	42,080
506	506	506	506	506	506
424	405	442	442	455	454
29,360	29,360	29,360	29,360	29,360	29,360
345	345	345	345	345	345
245	223	222	242	223	211
38,838	38,838	38,838	38,838	38,838	38,838
460	460	460	460	460	460
524	530	552	576	636	614

Iowa City Community School District

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

School	Fiscal Year			
	2010	2011	2012	2013
Elementary:				
Theodore Roosevelt Elementary (1931, 1961) *				
Square feet	29,008	29,008	29,008	29,008
Capacity	264	264	264	264
Enrollment	309	299	283	40
Bouhmil Shimek Elementary (1970, 1991)				
Square feet	28,130	28,130	28,130	28,130
Capacity	242	242	242	276
Enrollment	201	202	208	228
Mark Twain Elementary (1954, 1961)				
Square feet	40,204	40,204	40,204	40,204
Capacity	330	330	330	460
Enrollment	229	203	226	299
Irving Weber Elementary (1993, 2001)				
Square feet	48,400	48,400	48,400	48,400
Capacity	484	484	484	506
Enrollment	544	553	568	477
Grant Wood Elementary (1969, 1993, 2006)				
Square feet	59,890	59,890	59,890	59,890
Capacity	484	484	484	575
Enrollment	492	474	523	569
Kate Wickham Elementary (1997)				
Square feet	56,049	56,049	56,049	56,049
Capacity	418	418	418	506
Enrollment	492	489	477	481
James Van Allen Elementary (2005)				
Square feet	61,081	61,081	61,081	61,081
Capacity	484	484	484	552
Enrollment	661	425	446	499
Buford Garner Elementary (2010)				
Square feet	-	63,715	63,815	63,815
Capacity	-	500	500	529
Enrollment	-	388	429	504
Norman Borlaug Elementary (2012)				
Square feet	-	-	-	67,029.00
Capacity	-	-	-	552.00
Enrollment	-	-	-	352.00
Alexander Elementary (2015)				
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Junior High:				
Northwest Junior High School (1971, 1995)				
Square feet	124,436	124,436	124,436	124,436
Capacity	875	875	875	875
Enrollment	615	638	641	650

* During fiscal year 2013, the District changed the name of this school to Theodore Roosevelt Education Center and are serving students for various programs in this building.

(Continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
29,008	29,008	29,008	29,008	29,008	29,008
264	264	264	264	264	264
40	40	40	40	50	50
28,130	28,130	28,130	28,130	28,130	28,130
276	276	276	276	276	276
215	210	212	215	212	206
40,204	40,204	40,204	40,204	40,204	40,204
460	460	460	460	460	460
323	378	262	311	336	343
48,400	48,400	48,400	48,400	48,400	48,400
506	506	506	506	506	506
492	490	422	425	467	461
59,890	59,890	59,890	59,890	59,890	59,890
575	575	575	575	575	575
525	511	360	305	306	300
56,049	56,049	56,049	56,049	56,049	56,049
506	506	506	506	506	506
482	503	529	513	483	476
61,081	61,081	61,081	61,081	61,081	61,081
552	552	552	552	552	552
500	507	524	501	501	502
63,815	63,815	63,815	63,815	63,815	63,815
529	529	529	529	529	529
539	581	609	619	658	681
67,029	67,029	67,029	67,029	67,029	67,029
552	552	552	552	552	552
382	403	431	431	457	507
-	-	67,714.00	67,714	67,714	67,714
-	-	500.00	500	500	500
-	-	348.00	407	418	424
124,436	124,436	124,436	124,436	124,436	124,436
875	875	875	875	875	875
679	641	628	652	728	699

Iowa City Community School District

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

School	Fiscal Year			
	2010	2011	2012	2013
Junior High (continued):				
South East Junior High School (1959, 1982, 1995)				
Square feet	138,806	138,806	138,806	138,806
Capacity	775	775	775	775
Enrollment	688	674	733	761
North Central Junior High School (2006)				
Square feet	82,612	82,612	82,612	82,612
Capacity	450	450	450	450
Enrollment	398	400	414	469
High School:				
City High School (1939, 1974, 1982, 1985, 1990, 1995, 2005, 2013)				
Square feet	267,752	267,752	267,752	267,752
Capacity	1,600	1,600	1,600	1,600
Enrollment	1,371	1,409	1,410	1,414
West High School (1969, 1983, 1986, 1993, 1996, 2005)				
Square feet	339,217	339,217	339,217	339,217
Capacity	1,800	1,800	1,800	1,800
Enrollment	1,770	1,863	1,910	1,956
Elizabeth Tate High School (2005)				
Square feet	19,700	19,700	19,700	19,700
Capacity	160	160	160	160
Enrollment	120	118	162	149
Liberty High School (2017)				
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Portable Classrooms (Various)				
Square feet	33,296	33,296	33,296	36,000
Capacity				
Number	37	37	37	40
Other:				
Central Administration Building (1917)				
Square feet	24,588	24,588	-	-
Educational Services Center (2011)				
Square feet	-	-	41,776	41,776
Physical Plant Building (1984)				
Square feet	19,638	19,638	19,638	19,638
Athletics:				
Football fields	5	5	5	5
Soccer fields	1	1	2	2
Running tracks	2	2	2	2
Baseball/softball fields	4	4	4	4
Tennis Courts	2	2	2	2
Playgrounds	18	19	19	19

Source: District records

Fiscal Year					
2014	2015	2016	2017	2018	2019
138,806	138,806	138,806	138,806	138,806	138,806
775	775	775	775	775	775
771	800	801	826	747	774
82,612	82,612	82,612	82,612	82,612	82,612
450	450	450	450	450	450
467	478	504	551	547	545
287,047	287,047	287,047	287,047	287,047	287,047
1,600	1,600	1,600	1,600	1,600	1,600
1,494	1,599	1,668	1,717	1,537	1,559
339,217	339,217	339,217	339,217	339,217	339,217
1,800	1,800	1,800	1,800	1,800	1,800
1,941	1,985	2,001	2,092	1,548	1,487
19,700	19,700	19,700	19,700	19,700	19,700
160	160	160	160	160	160
135	151	158	154	163	140
-	-	-	-	270,000	270,000
-	-	-	-	1,000	1,000
-	-	-	-	723	922
35,100	35,100	35,100	35,100	35,100	35,100
39	39	40	40	40	40
-	-	-	-	-	-
41,776	41,776	41,776	41,776	41,776	41,776
19,638	19,638	19,638	19,638	19,638	19,638
5	5	5	5	5	6
2	2	2	2	2	2
2	2	2	2	2	3
4	3	3	3	3	3
2	2	2	2	2	2
19	19	20	20	21	21