



Updates from the Cabinet

December 9, 2019

Cabinet Members: Superintendent Bisgard, Assoc. Superintendent Wear, Mrs. Karla Christian (HR), Mr. JT Anderson (CFO), Mrs. Leisa Breitfelder (Student Services), and Mrs. Jeri Ramos (Tech)

Finance/Audit Committee (Dec 5th): The committee’s discussion on December 5th included:

- Review of December 9th consent agenda items: Farm lease agreement, fundraisers, and bills
- Budget update on Boulder Peak and Hazel Point construction projects
 - Reviewed up-to-date change order information
- Reviewed the 2020 spring/summer projects and bidding schedules as follows:

LINN-MAR CAPTIAL PROJECTS: SPRING/SUMMER 2020						
Project:	Oak Ridge Track	Wilkins Remodel	Indian Creek Remodel	Bowman Woods Roof	Bowman Woods Media Center	Echo Hill/Alburnett Rd. Intersection
Description:	Six lane track with competitive grass field and scoreboard (similar to Excelsior) built on Lowe Park grounds. Partnership with City of Marion.	Likely a two phase project that includes ceiling, flooring, lighting, door, and casework replacement. Second phase includes renovation of media center.	Ceiling, flooring, lighting, door, and some casework replacement.	Roof replacement of various sections (non-warrantied) of the building. Gutter, soffit facia, and gutter work around entire building.	Renovation of media center space within the building.	Implementation of four-way stop. Construction of right turning lane on Alburnett Road onto Echo Hill Road.
Bid/Quote?:	Bid	Bid	Bid	Bid	Quote	Quote
Estimated Cost:	\$750,000	\$935,000	\$670,000	\$840,000	\$120,000	\$100,000
Fund:	PERL	SAVE	PPEL	PPEL	PPEL	Bond- Capital Projects
Board Action Dates:						
Resolution to Set Public Hearing Date	December 9, 2019	January 13, 2020	January 13, 2020	January 13, 2020	N/A	N/A
Public Hearing and Approval of Specifications	January 13, 2020	January 27, 2020	January 27, 2020	January 27, 2020	N/A	N/A
Award Bid/Quote to Lowest Responsive & Responsible Bidder	February 10, 2020	March 9, 2020	March 9, 2020	February 24, 2020	March 9, 2020	March 9, 2020
Approve Construction Contract with Contractor	February 24, 2020	April 6, 2020	April 6, 2020	March 9, 2020	April 6, 2020	April 6, 2020

- The 2019 Comprehensive Annual Finance Report was finalized by Bohnsack and Frommelt (district auditors). Committee members were given a copy of the report and the schedule of findings and responses were reviewed. It was noted that Sarah Bohnsack would be giving a brief report to the entire board during the December 9th board meeting.
- Fall 2019 certified enrollment numbers were reviewed and it was noted that the district’s certified budget increased by 118.86 students from the previous year, for a total of 7,675.54 students.
- Reviewed the 2019-20 SBRC application (see more information below).
- Discussed the structure and timeline of the 2020 SAVE (sales tax) revenue bond issuance that would complete the funding for the construction of the intermediate buildings and potentially provide funds for other capital improvement projects on the 10-year plan. Preliminary timeline would have this process begin in February, with the bond sale completed by May 5, 2020.

SBRC Application Fall 2019:

Based on our certified enrollment for October 2018, the district qualifies for:

- \$817,344 in modified supplemental amount for one-time funding due to increased enrollment
- \$239,128 for open enrolled out students not on the October 2016 count
- \$19,677 for English Language Learner (ELL) students that are served beyond five years

The board agenda has a motion to approve the School Budget Review Committee (SBRC) application for these modified supplemental amounts. This will give the district the increased spending authority for these dollars. When we certify the budget in the spring, the board will determine whether or not to receive the funds through the district's cash reserve levy.

District Achievements & Honors



Girls' Swim Team: Congratulations to Megan Norris on her 6th place finish at the state diving meet! Congrats also go out to Reese Miller and Jenna Carney for finishing 16th and 17th!



Linn-Mar Poms: Congratulations to JV Poms for taking first place in Poms and second place in jazz at the Xavier Dance Jam!

LMHS Drama Department: Congratulations to the student actors, Director Ann Fry, and the high school Drama Department for their recent production of Disney's *Lion King Jr!* The show was a great success and enjoyed by all!

Volleyball Academic Achievement: Congratulations to Emily Cummings and Ashlee Haumesser for their academic achievements and being named on the 2019 Academic All-State Volleyball list! The girls had to accomplish a minimum ACT score of 27 and a GPA of 3.75!



Good Luck and Thank You: Wishes of good luck and thanks go out to Teresa Bair, LM Volleyball Coach, as she gets ready to move on from Linn-Mar! Coach Bair led the Linn-Mar Girls' Volleyball Team for seven seasons with a 192-84 record and participation in three state tournaments, including the 2017 and 2018 Class 5A semi-finals. This year's team record was 18-18; a great record to go out on. We wish Coach Bair the best as she moves on to spend time with her family and grandchildren!



**Policy Title: Code of Professional Conduct and Ethics
Code 401.1**

Chapter 25

282 – 25.1(272) Scope of Standards. This code of professional conduct and ethics constitutes mandatory minimum standards of practice for all licensed practitioners as defined in Iowa Code, Chapter 272. The adherence to certain professional and ethical standards is essential to maintaining the integrity of the education profession.

282 – 25.2(272) Definitions. *Except where otherwise specifically defined by law.*

- a. *"Administrative and Supervisory Personnel"* means any licensed employee such as superintendent, associate superintendent, assistant superintendent, principal, associate principal, assistant principal, or other person who does not have as a primary duty the instruction of pupils in the schools.
- b. *"Board"* means the Iowa Board of Educational Examiners (BOEE).
- c. *"Discipline"* means the process of sanctioning a license, certificate, or authorization issued by the board.
- d. *"Ethics"* means a set of principles governing the conduct of all persons governed by these rules.
- e. *"Fraud"* means knowingly providing false information or representations on an application for licensure or employment, or knowingly providing false information or representations made in connection with the discharge of duties.
- f. *"License"* means any license, certificate, or authorization granted by the board.
- g. *"Licensee"* means any person holding a license, certificate, or authorization granted by the board.
- h. *"Practitioner"* means an administrator, teacher, or other licensed professional, including an individual who holds a statement of professional recognition, who provides educational assistance to students.
- i. *"Responsibility"* means a duty for which a person is accountable by virtue of licensure.
- j. *"Right"* means a power, privilege, or immunity secured to a person by law.
- k. *"Student"* means a person, regardless of age, enrolled in a pre-kindergarten through grade 12 school, who is receiving direct or indirect assistance from a person licensed by the board.
- l. *"Teacher"* means any person engaged in the instructional program for pre-kindergarten through grade 12 children, including a person engaged in teaching, administration, and supervision, and who is required by law to be licensed for the position held. [ARC 7979B, IAB 7/29/09, effective 9/2/09]

282 – 25.3(272) Standards of Professional Conduct and Ethics. Licensees are required to abide by all federal, state, and local laws applicable to the fulfillment of professional obligations. Violation of federal, state, or local laws in the fulfillment of professional obligations constitutes unprofessional and unethical conduct which can result in disciplinary action by the board. In addition, it is hereby deemed unprofessional and unethical for any licensee to violate any of the following standards of professional conduct and ethics:

25.3(1) Standard I - Conviction of crimes, sexual or other immoral conduct with or toward a student, and child and dependent adult abuse. Violation of this standard includes:

- a. *Fraud.* Fraud means the same as defined in Rule 282 – 25.2(272).
- b. *Criminal Convictions.* The commission of or conviction for a criminal offense as defined by Iowa law provided that the offense is relevant to or affects teaching or administrative performance.

(1) Disqualifying Criminal Convictions. The board shall deny an application for licensure and shall revoke a previously issued license if the applicant or licensee has, on or after July 1, 2002, been convicted of, has pled guilty to, or has been found guilty of the following criminal offenses, regardless of whether the judgment of conviction or sentence was deferred:

1. Any of the following forcible felonies included in Iowa Code section 702.11: child endangerment, assault, murder, sexual abuse, or kidnapping;
2. Any of the following criminal, sexual offenses, as provided in Iowa Code chapter 709, involving a child
 - First-, second-, or third-degree sexual abuse committed on or with a person who is under the age of 18;
 - Lascivious acts with a child;
 - Assault with intent to commit sexual abuse;
 - Indecent contact with a child;
 - Sexual exploitation by a counselor;
 - Lascivious conduct with a minor;
 - Sexual exploitation by a school employee;
 - Enticing a mind under Iowa Code section 710.10; or
 - Human trafficking under Iowa Code section 710A.2;
3. Incest involving a child as prohibited by Iowa Code section 726.2;
4. Dissemination and exhibition of obscene material to minors as prohibited by Iowa Code Section 728.2;
5. Telephone dissemination of obscene material to minors as prohibited by Iowa Code section 728.15;
6. Any offense specified in the laws of another jurisdiction, or any offense that may be prosecuted in a federal, military, or foreign court, that is comparable to an offense listed in subparagraph 25.3(1) "b"(1); or
7. Any offense under prior laws of this state or another jurisdiction or any offense under prior law that was prosecuted in a federal, military, or foreign court that is comparable to an offense listed in subparagraph 25.3(1)"b"(1).

(2) Other criminal convictions and founded child abuse. In determining whether a person should be denied a license or whether a licensee should be disciplined based upon any other criminal conviction, including a conviction for an offense listed in 25.3(1)"b"(1) which occurred before July 1, 2002, or a founded report of abuse of a child, the board shall consider:

1. The nature and seriousness of the crime or founded abuse in relation to the position sought;
2. The time elapsed since the crime or founded abuse was committed;
3. The degree of rehabilitation which has taken place since the crime or founded abuse was committed;
4. The likelihood that the person will commit the same crime or abuse again;
5. The number of criminal convictions or founded abuses committed; and

6. Such additional factors as may in a particular case demonstrate mitigating circumstances or heightened risk to public safety.
- c. *Sexual Involvement or Indecent Contact with a Student.* Sexual involvement includes, but is not limited to, the following acts, whether consensual or nonconsensual: fondling or touching the inner thigh, groin, buttocks, anus, or breasts of a student; permitting or causing to fondle or touch the practitioner's inner thigh, groin, buttocks, anus, or breasts; or the commission of any sex act as defined in Iowa Code section 702.17.
- d. *Sexual Exploitation of a Minor.* The commission of or any conviction for an offense prohibited by Iowa Code section 728.12, Iowa Code chapter 709, or 18 USC Section 2252A(a)(5)(B).
- e. *Student Abuse.* Licensees shall maintain professional relationships with all students, both inside and outside the classroom. The following acts or behavior constitutes unethical conduct without regard to the existence of a criminal charge or conviction:
 - (1) Committing any act of physical abuse of a student;
 - (2) Committing any act of dependent adult abuse on a dependent adult student;
 - (3) Committing or soliciting any sexual or otherwise indecent act with a student or any minor;
 - (4) Soliciting, encouraging, or consummating a romantic or otherwise inappropriate relationship with a student;
 - (5) Furnishing alcohol or illegal or unauthorized drugs or drug paraphernalia to any student or knowingly allowing a student to consume alcohol or illegal or unauthorized drugs in the presence of the licensee;
 - (6) Failing to report any suspected act of child or dependent adult abuse as required by state law; or
 - (7) Committing or soliciting any sexual conduct as defined in Iowa Code section 709.15(3)"b" or soliciting, encouraging, or consummating a romantic relationship with any person who was a student within 90 days prior to any conduct alleged in the complaint, if that person was taught by the practitioner or was supervised by the practitioner in any school activity when that person was a student.

25.3(2) Standard II - Alcohol or Drug Abuse. Violation of this standard includes:

- a. Being on school premises or at a school-sponsored activity involving students while under the influence of, possessing, using, or consuming illegal or unauthorized drugs or abusing legal drugs.
- b. Being on school premises or at a school-sponsored activity involving students while under the influence of, possessing, using, or consuming alcohol.

25.3(3) Standard III - Misrepresentation/Falsification of Information. Violation of this standard includes:

- a. Falsifying or deliberately misrepresenting or omitting material information regarding professional qualifications, criminal history, college credit, staff development credit, degrees, academic awards, or employment history when applying for employment or licensure.
- b. Falsifying or deliberately misrepresenting or omitting material information regarding compliance reports submitted to federal, state, and other governmental agencies.

- c. Falsifying or deliberately misrepresenting or omitting material information submitted in the course of an official inquiry or investigation.
- d. Falsifying any records or information submitted to the board in compliance with the license renewal requirements imposed under 282-Chapter 20.
- e. Falsifying or deliberately misrepresenting or omitting material information regarding the evaluation of students or personnel, including improper administration of any standardized tests including, but not limited to, changing test answers, providing test answers, copying or teaching identified test items, or using inappropriate accommodations or modifications for such tests.

25.3(4) Standard IV - Misuse of Public Funds and Property. Violation of this standard includes:

- a. Failing to account properly for funds collected that were entrusted to the practitioner in an educational context.
- b. Converting public property or funds to the personal use of the practitioner.
- c. Submitting fraudulent requests for reimbursement of expenses or for pay.
- d. Combining public or school-related funds with personal funds.
- e. Failing to use time or funds granted for the purpose for which they were intended.

25.3(5) Standard V - Violations of Contractual Obligations. Violation of this standard includes:

- ~~1. Signing a written professional employment contract while under contract with another school, school district, or area education agency.~~
- (1) Asking a practitioner to sign a written professional employment contract before the practitioner has been unconditionally released from a current contract, **unless the practitioner provided notice to the practitioner's employing board as set forth in subparagraph 25.3(5)"b"(2).** ~~An administrator shall make a good faith effort to determine whether the practitioner has been released from the current contract.~~
- (2) Abandoning a written professional employment contract without prior unconditional release by the employer.
- (3) As an employer, executing a written professional employment contract with a practitioner which requires the performance of duties that the practitioner is not legally qualified to perform.
- (4) As a practitioner, executing a written professional employment contract which requires the performance of duties that the practitioner is not legally qualified to perform.
 - b. In addressing complaints based upon contractual obligations the board shall consider factors beyond the practitioner's control. For purposes of enforcement of this standard, a practitioner will not be found to have abandoned an existing contract if:
 - (1) The practitioner obtained a release from the employing board before discontinuing services under the contract; or
 - (2) The practitioner provided notice to the employing board no later than the latest of the following dates:
 1. The practitioner's last work day of the school year;
 2. The date set for return of the contract as specified in statute; or
 3. June 30th.

25.3(6) Standard VI - Unethical Practice Toward Other Members of the Profession, Parents, Students, and the Community. Violation of this standard includes:

- a. Denying the student, without just cause, access to varying points of view.
- b. Deliberately suppressing or distorting subject matter for which the educator bears responsibility.
- c. Failing to make reasonable effort to protect the health and safety of the student or creating conditions harmful to student learning.

- d. Conducting professional business in such a way that the practitioner repeatedly exposes students or other practitioners to unnecessary embarrassment or disparagement.
- e. Engaging in any act of illegal discrimination, or otherwise denying a student or practitioner participation in the benefits of any program on the grounds of race, creed, color, religion, age, sex, sexual orientation, gender identity, disability, marital status, socio-economic status, or national origin.
- f. Soliciting students or parents of students to purchase equipment, supplies, or services from the practitioner for the practitioner's personal advantage.
- g. Accepting gifts from vendors or potential vendors where there may be the appearance of or an actual conflict of interest.
- h. Intentionally disclosing confidential information including, but not limited to, unauthorized sharing of information concerning student academic or disciplinary records, health and medical information, assessment or testing results, or family income. Licensees shall comply with state and federal laws and local school board policies relating to the confidentiality of student records, unless disclosure is required or permitted by law.
- i. Refusing to participate in a professional inquiry when requested by the board.
- j. Aiding, assisting, or abetting an unlicensed person in the completion of acts for which licensure is required.
- k. Failing to self-report to the board within 60 days any founded child abuse report, or any conviction for a criminal offense listed in 25.3(1)"b"(1) which requires revocation of the practitioner's license.
- l. Delegating tasks to unqualified personnel.
- m. Failing to comply with federal, state, and local laws applicable to the fulfillment of professional obligations.
- n. Allowing another person to use one's practitioner license for any purpose.
- o. Performing services beyond the authorized scope of practice for which the individual is licensed or prepared or performing services without holding a valid license.
- p. Falsifying, forging, or altering a license issued by the board.
- q. Failure of the practitioner holding a contract under Iowa Code section 279.13, to disclose to the school official responsible for determining assignments a teaching assignment for which the practitioner is not properly licensed.
- r. Failure of a school official responsible for assigning licensed practitioners holding contracts under Iowa Code section 279.13, to adjust an assignment if the practitioner discloses to the official that the practitioner is not properly licensed for an assignment.

25.3(7) Standard VII - Compliance with State Law Regarding Obligations to State or Local Governments, Student Loan Obligations, Child Support Obligations, and Board Orders.

Violations of this standard includes:

- a. Failing to comply with 282-Chapter 8, concerning payment of debts to state or local governments.
- ~~b. Failing to comply with 282-Chapter 9, concerning repayment of student loans~~
- b. Failing to comply with 282-Chapter 10, concerning child support obligations.
- c. Failing to comply with a board order.

25.3(8) Standard VIII – Incompetence. Violation of this standard includes, but is not limited to:

- a. Willfully or repeatedly departing from or failing to conform to the minimum standards of acceptable and prevailing educational practice in the State of Iowa.
- b. **Willfully or repeatedly failing to practice with reasonable skill and safety.**

Adopted: 4/16
Revised: 9/16; 11/19
IASB Reference: 404.1R



**Policy Title: School Bus Passenger Restraints
Code 701.9**

The district shall utilize three-point, lap-shoulder belts on district school buses as required by state law.

All three-point, lap-shoulder belts available on district buses will be used by passengers when the vehicle is in any non-stationary gear.

Adopted: 11/19

Related Policy (Code#): 701.10

Legal Reference (Code of Iowa): 281 IAC 43.10(6)

IASB Reference: 711.10



**Policy Title: School Bus Safety Instructions
Code 701.10**

The school district shall conduct school bus safe riding practices instruction and emergency safety drills **at least** twice a year, **once in the fall and once in the spring**, for students who utilize school district transportation. **Documentation of these safety drills will be maintained by the district for five years and made available upon request.**

Each school bus vehicle shall have, in addition to the regular emergency safety drill, a plan for helping those students who require special assistance to safety during an emergency. This shall include but not be limited to students with disabilities.

School district vehicle drivers and adult riders are required to attend each safety drill.

All school personnel and designees must wear seat belts while operating school and private vehicles for school functions. All school personnel must use the tire protective cage when inflating or deflating a tire used on school buses and tractors.

Employees shall be responsible for instructing the proper techniques to be followed during an emergency, as well as safe riding practices. It shall be the responsibility of the superintendent [or designee] in conjunction with the transportation manager to develop administrative regulations regarding this policy.

Adopted: 4/99

Reviewed: 9/11; 10/12; 4/15; 11/18

Revised: 11/13; **11/19**

Related Policy (Code#): 502.1; 502.1-R

Legal Reference (Code of Iowa): §§ 279.8; 321; 281 IAC 41.412, 43.40



Business Procedures - Fiscal Management

Policy Title: Inventory and Fixed Assets Code 801.6

For insurance purposes, an inventory of the furniture, equipment, and other non-consumable items other than real property of the school district shall be conducted annually under the supervision of the superintendent [or designee]. This report shall be filed with the board secretary.

In addition, a separate fixed asset listing will be maintained for all governmental funds, in accordance with GASB 34. All fixed assets, both tangible and intangible, shall be accounted for at cost, or if cost is not determinable at estimated cost. Donated fixed assets shall be recorded at estimated fair market value at the time received. Tangible fixed assets will include buildings, land, land improvements, artwork, construction in progress, and machinery and equipment. Machinery and equipment with a historical cost equal to or greater than \$2,500, will be capitalized. All listed fixed assets will be depreciated over the useful life of each fixed asset per the schedule listed below.

Class Description	Useful Life
Buildings	50 years
Site Improvements	20 years
Outdoor Equipment	20 years
Roof Replacements	20 years
Audiovisual Equipment	10 years
Machinery and Tools	15 years
Computers	5 years
Communications Equipment	10 years
Furniture and Accessories	20 years
Licensed Vehicles	8 years
Athletic Equipment	10 years
Custodial Equipment and Appliances	15 years
Musical Instruments	10 years

Intangible fixed assets shall be defined as assets that are identifiable, lack a physical substance, have an initial useful life extending beyond a single reporting period, and cost more than \$175,000. Examples include easements, patents, trademarks, copyrights, and computer software that is purchased, licensed, or internally generated. If the asset is generated internally, cost shall include efforts of staff members or independent contractors to plan, develop, and implement the asset. Intangible fixed assets will be considered capital assets for financial reporting purposes and depreciated over the estimated useful life of the asset using the straight-line method.

All equipment used by employees or students to meet the educational mission of the district must be tagged in a manner to identify them as permanent property of the Linn-Mar Community School District.

Nutrition fund fixed assets with a historical cost equal to or greater than \$500 will be capitalized and depreciated over 12 years. **Computer and technology assets purchased by the nutrition fund will be depreciated over five years.** A straight-line depreciation method will be used, and assets will be depreciated for a full year in the year of acquisition. An annual inventory shall be maintained on consumable property within the Nutrition Services program.

It is the responsibility of the superintendent [or designee] to develop a process for implementation of this policy.

Adopted: 7/03

Reviewed: 7/10; 5/15; 12/18

Revised: 10/12; 12/13; **11/19**

Legal Reference (Code of Iowa): 7A.30

Operations Manual for the Linn-Mar Board of Education

*A Guide for Board
Operations and Functions*



2999 N 10th Street
Marion IA 52302

*Created: 1993
Revised: 2019*

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Introduction

In order to provide the necessary and appropriate leadership for the district, the Linn-Mar Community School District Board of Education, both collectively and individually, is committed to governing as a professional Board of Directors. This means a commitment to the principles and practices of professional governance; the sharing of a common understanding of board policies, practices, procedures and principles; a focus on continuous learning and improvement; and a willingness to serve as a model of effective, moral leadership for students, staff, and the community.

The *Board Operations Manual* explains the duties, structure, and responsibilities of the Linn-Mar Community School District Board of Education as per the Iowa Association of School Boards (IASB) recommendations and state of Iowa Code. This manual is a living document and is in no way meant to be the final word as to how the board will direct its business. Each iteration of the board will reflect the personality of that board and may result in additions or revisions to this manual.

Board Authority

Board authority is derived from state of Iowa Code, which includes many different powers and duties of school boards. As a corporate body, the board may transact business only with a quorum of its membership present during a regular or special meeting.

According to *Dillon's Rule*, a local school board can only do what it is authorized to do per code, as opposed to home rule where action can be taken unless it is stated in code that the action is not allowed. The Linn-Mar Community School District Board of Education policy manual includes a listing of the school board's general powers and duties in *Policy Series 200 – Board of Directors*.

The following is a partial listing of the duties and powers the board has the authority to carry out and reflects the authority vested in local school boards:

1. Determine major educational needs and develop plans to meet those needs.
2. Fix time and place of regular and special meetings.
3. Fill, by appointment, any vacancies occurring between elections.
4. Employ a superintendent.
5. Approve the employment and salaries of administrators/managers, teachers, principals, other licensed personnel, and staff members.
6. Terminate the contract or immediately discharge any employee subject to the provisions of any applicable law and/or board policy.
7. Become members of the Iowa Association of School Boards and pay dues.
8. Utilize funds received through gifts, devises, and bequests in the general or schoolhouse

- funds, unless limited by the terms of the grant.
9. Employ legal counsel and bear the cost of litigation.
 10. Allow all just claims against the school corporation.
 11. Insure against loss of property.
 12. Appoint a board secretary and treasurer.
 13. Require bonds for individuals having custody of school corporation funds, funds from extra-curricular activities or other sources, and pay premiums from the general fund.
 14. Determine district attendance centers and the particular school each student will attend.
 15. Maintain attendance centers based upon the needs of school-age students and include in the educational program additional courses, subjects, or activities that fit the needs of the students.
 16. Provide transportation services.
 17. Acquire, hold, convey, lease, rent, and manage property; real and personal.
 18. Incur indebtedness when authorized by the voters of the school corporation.
 19. Make rules for its own government.
 20. Maintain adequate administration, school staffing, personnel assignment policies, teacher qualifications and licensing requirements, facilities, equipment, grounds, graduation requirements, instructional requirements and materials, maintenance procedures, and policies on extra-curricular activities.
 21. Expel students from school for violation of rules established by the board or when their presence is detrimental to the best interests of the school.
 - ~~22. Enforce laws prohibiting public school students from becoming members of any fraternity or society which is not sanctioned by the board.~~

Board Member Responsibilities

Board member responsibilities include attending board meetings; being prepared in advance by reading agendas, supporting documentation, presentation materials, and other informational documents; seeking information that is necessary; and suspending all judgement prior to the decision-making process at the board table. Effective board members also resist presenting surprises at board meetings by abiding by board policies and rules and holding off personal decisions until all evidence is in and all board discussion has occurred.

The board is made up of seven members of the Linn-Mar Community School District with each member assuming responsibility for the total board's effectiveness, functions, and efficiency. No individual can speak for or act on behalf of the board. The board acts only when a quorum is present and when a majority of that quorum reaches a decision. The Linn-Mar Community School District Board of Education strives to be unified and professional at all times. This does not mean, however, that board members cannot have disagreements or open discussions about district issues. Open discussions are encouraged in order to thoroughly examine each issue. Disagreements are to be handled in a respectful manner at all times with board members displaying courtesy for each other and for differing points of view.

Board Ethics

Board member actions, verbal and nonverbal, reflect the attitudes and beliefs of the Linn-Mar Community School District. Therefore, board members must conduct themselves in accordance with the Iowa Association of School Board's Code of Ethics as outlined in *Policy Series 200*.

Board members must avoid conflicts of interest, either real or perceived, related to serving on the board. Both Iowa law and board policy describe limitations placed on board members in carrying out their duties, but these limitations cannot address every situation where a conflict of interest may arise. Therefore, board members must be vigilant in avoiding any actions that may be perceived as creating a conflict of interest. *(Example: Endorsing other board member candidates during school board elections.)*

Iowa law states that all actions of the board shall be conducted in public, while at the same time the law allows for specific situations and procedures wherein the board may meet in private to discuss confidential information. Board members are privy to confidential information in the course of their service to the district. It is imperative that each board member respect the confidentiality of information shared with them.

Board Guiding Principles

1. Deliberate in many voices, but govern in one voice.
2. Cultivate a sense of group responsibility with the understanding that it is the board, not the staff or administration, which is responsible for excellence in governance.
3. Be an active part of the district's leadership team striving to lead the district through a clear mission statement, an articulated vision for the district, shared and commonly understood goals, broad and clearly written policies, and continual monitoring of the performance of the schools and students.
4. Be willing to hold itself to the highest standards of excellence in governance and professional responsibility, including a willingness to hold individual board members and the board as a whole accountable for its actions.
5. Continually monitor its own processes, performance, and progress.
6. Vigorously and intelligently advocate for the district and its students on the local, state, and national levels.
7. Commit both individually and collectively to being well-informed and educated on local, state, and national educational issues, initiatives, and practices.
8. Regularly communicate as one voice while exercising confidentiality, when appropriate, to all stakeholders about district performance, direction, initiatives, issues, and ideas.
9. Formally and informally recognize and celebrate school, staff, and student success.
10. Insist on the pursuit of excellence on the part of all with a role in the district; staff, students, and board members.

11. Always strive to act in the interest of what is best for all students, believing that all students can learn and succeed at a high level.
12. Serve as a model of positive, professional, and ethical conduct.

Board Meetings

Work Session Agenda Format:

- 100: Call to Order and Determination of a Quorum
- 200: Revision and/or Adoption of the Agenda
- 300: Discussion/Information
- 400: Adjournment

Work sessions will have the following characteristics:

1. No formal board action or decisions will take place.
2. Discussions are informational or for data analysis.
3. Are for building board member awareness and learning.
4. Are for board member team building.

Regular Session Agenda Format:

- 100: Call to Order and Determination of a Quorum
- 200: Revision and/or Adoption of the Agenda
- 300: Audience Communications
- 400: Informational Reports
- 500: Unfinished Business
- 600: New Business
- 700: Consent Agenda
- 800: Communications and Calendar
- 900: Adjournment

The board shall make rules for its own governance. The board may make and enforce reasonable rules for the conduct of its meetings to ensure they are orderly and free from interference or interruption by spectators. The Linn-Mar Board of Education has chosen to follow *Robert's Rules of Order, Revised* latest edition as a procedural model for operational purposes.

Board meetings shall be held at a place accessible to the public and at a time reasonably convenient to the public, unless such a place or time is impossible or impractical which shall be stated in the minutes. The public may use cameras or recording devices at any open meeting.

Board meetings are held IN the public, but not FOR the public. Meetings are to conduct district business in an open and transparent manner, not to engage in dialogue with the public. Public comments are allowed at the start of each open, regular meeting; but not during the order of business. Guidelines for addressing the board are outlined in the agenda and shared with the

public prior to the Audience Communications section of the meeting. *The guidelines for public participation in board meetings are also found in Policy Series 200.*

When participating in discussion, the board directs the superintendent and administration. The directive will be restated for clarity and conciseness by the board president to ensure there is common agreement and consensus from the entire board. Board meetings should allow business to be transacted efficiently, protect individual rights, and maintain the working relationship among members.

The role of the superintendent during board meetings will be that of advisor and facilitator in helping the board work through its business and reach decisions. As the chief executive officer of the district and the chief advisor to the board, the superintendent will provide timely information, materials, adequate time for deliberation, and recommendations given prior to board meetings and prior to board deliberations when making decisions. Reports, presentations, and documentation will follow a format developed by the superintendent and shared with the board.

Reports to the board **during regular meetings** will be concise and will not exceed 15 minutes, including questions. Written materials will be provided to the board in advance for their review and preparation for the presentations. All visual aids will be of a quality that the board and audience can view from their seats. The preferred format is electronic projection.

The board is to come prepared and ready to participate in the discussion and decision-making process. The board will also be given advance notice as to whether or not presentations or reports are for information only or if they are for deliberations and/or action.

Board Advisory Committees

The administration will inform all board advisory committees of requirements as stated in legislation regarding open meetings. The board will be aware that any committee that it appoints is under the open meetings law requirement. Care will be taken to assess whether a committee already functioning in the district may be used for the purposes of the board, rather than the creation of a new committee.

Board members are encouraged to be active on committees and other advisory groups that function within the district. Board member participation is to be advisory only, since it might be construed that a board member may have the potential to persuade others with their vote. Therefore, no board member will be a committee chairperson or a voting member of a committee or advisory group within the district.

Schedules

It is important for board members to be actively involved in board events to not only learn about the district, but to also show support for Linn-Mar and advocate for the district. Therefore, board members are expected to attend board meetings, school and site visits, special meetings for community input, and other meetings and events throughout the district and community. A rotating schedule will allow board members to attend Marion City Council meetings in order to facilitate communication between the two entities.

Schedules for board meetings, school/site visits, and committee/advisory meetings are developed at the beginning of each school year. Ongoing calendars can be found at the end of each board meeting agenda and on the board/policy website (<http://.policy.linnmar.k12.ia.us/>).

Policy

A school board fulfilling its policy-making duties fulfills the board's most important function. Written board policy represents that the school district is managed in a business-like manner and informs all stakeholders of the board's intent, goals, and objectives. Written policy fosters stability and continuity whenever board members or district personnel changes. Written policy also disarms critics by providing clear-cut, thoroughly researched, and planned solutions.

Written board policies have the same force and effect in a school district as Iowa laws have in the state, and as federal laws have in the country.

Iowa Code places the authority to develop and adopt policy for a school district in the hands of the school board. The Iowa State Department of Education Educational Standards, which sets the requirements for an accredited education program, requires the board to adopt and maintain a board policy manual. The district's board policy manual can be accessed via the district's school/policy website (<http://policy.linnmar.k12.ia.us/>).

If an issue or area of concern is one that only the board can change and determine, it is policy. If an issue or area of concern is one that the administration can change, it is administrative regulation.

Policy Development

The policy development process has been designed so that several sources of input can be given to the board regarding review and development of its policies. By law, each board policy must be reviewed at least once every five years. *Suggestion shared to consider: Do we request legal review of all recommended changes and/or select changes prior to first/second readings?*

A policy committee made up of board members, the superintendent, and key administrators will be used to review board policies and make recommendations to the board. The policy

committee will meet regularly during the school year to review the policies. It will be the duty of this committee to review the policies for accuracy, content, appropriateness, timelines, and necessity. In order to accomplish this, each member of the committee will review current board policies and recommendations for changes that have been communicated to the district by the Iowa Association of School Boards (IASB) along with state and federal requirements and changes.

Policy Committee recommendations will be presented to the board during regular meetings for discussion, first and second readings, and adoption upon board approval.

Relationships and Communications

There are two types of communications that board members will incur, internal (owner/district) and external (customer/patron). Board members should assess all communications and be aware of which type of communication they are being engaged in at all times.

As board members engage in communication with various patrons, they should remember that patron concerns should be addressed from the lowest level of authority first and then, if not satisfied, patrons should work upward to the superintendent or board level. (Ex: teacher>building administrator>human resources>superintendent>board) Patrons should be directed to contact the superintendent regarding an issue only after exhausting the appropriate channels of communication.

Internal Communications and Relationships

Board members are encouraged to interact and communicate with staff members as a means of gathering information and knowledge of the workings of the district. If staff members want board members to solve managerial issues, or when a board member is not satisfied with staff performance, these situations should be directed to the superintendent for resolution, supervision, or evaluation.

Board members need to separate their role as a board member from their role as a parent/patron when dealing with staff and administrators and should clarify which role they are in when communicating with staff and administrators. Administrators or staff may be hesitant to speak openly with board members for fear of retribution, especially if the conversation includes a complaint about district operations.

Staff should reflect respect for the district and its employees when stating concerns or opinions, and their concerns and opinions should be based on factual information not rumors. When listening to and speaking with staff members, conversations should be mutually respectful of the district, board, and all employees. All board members and staff are governed by the board policies which prohibit retaliation, bullying, or discrimination.

The board needs to exercise caution in personnel issues. Board members must always keep in mind that they are the final hearing officers in any personnel dispute. If a board member becomes involved in a personnel issue, they may need to recuse themselves from a hearing due to the possibility of being prejudiced. For that reason, personnel issues should be handled only by administrators hired for that purpose.

Any discussion by the board that could be interpreted as evaluative must be done in a meeting with the employee given the opportunity to be present to give their side of the issue, as well as the option of a closed session. Staff members may try to have board members solve problems outside board meetings, or a board member may not be satisfied with staff performance, but according to board procedure and policy these situations should be directed to the superintendent for resolution, supervision, or evaluation.

The board and staff members (certified and classified) will engage in a variety of communication strategies. Board retreats are one option that has been successfully used to further interaction and open communication. ~~Current and new recognition of staff members will be continued and created.~~

Internal Board and Superintendent Relationship/Communications

Because of the relationship the board and superintendent must have to conduct the work of the district, it is imperative that they keep each other informed of current issues. There should not be surprises at board meetings from either the board or superintendent. Board members will refrain from lobbying efforts with other board members outside of board meetings.

The superintendent will publicly support the Linn-Mar Board of Education and its decisions and the board will publicly support the superintendent and his/her decisions. Additionally, each board member is expected to publicly support decisions reached by the board as a whole, even if the board member voted with the minority on an issue.

~~The superintendent may utilize past board members who are in the community for input and information about the perception of the district.~~

Board members will be charged with maintaining relationships within the board in accordance with board standards per the Iowa Association of School Boards (IASB).

External (Public) Relationships and Communications

Reminder: There are two types of communications that board members will incur, internal (owner) and external (customer). Board members should assess and be aware of which type of communication they are being engaged in at all times. Patron concerns should be addressed from the lowest level of authority first and then, if not satisfied, patrons should work upward to the superintendent or board level. Patrons should be directed to contact the superintendent regarding an issue only after exhausting the appropriate channels of communication.

On controversial issues, the board will have a public statement drafted by the superintendent that board members may utilize for any public comment that needs to be made. As individuals, board members should support the actions and statements of the board. It is board procedure that the entire board be polled by the president prior to any public statement being made on behalf of the board as a whole. The board president shall be the official spokesperson for the board. The superintendent may also speak publicly on behalf of the board. If any board member wishes to address a point of view before the public, it is imperative that each board member communicates that they are speaking from their own personal viewpoint versus a board viewpoint.

The board's strategic planning process will include a plan for district public relations and marketing developed by and implemented by the administration and relevant departments.

Board Member Signatures:

Date Signed: _____

Finance/Audit Committee Commission

Statement of Purpose:

The purpose of the committee is to assist the board in discharging its responsibilities relating to financial oversight, budget, internal controls, financial policies, capital structure, and other related matters while helping to achieve the mission and vision of the Linn-Mar District. The Finance/Audit Committee shall serve a dual purpose for the district.

1. Finance Role:
 - a. Oversee the financial affairs of the district
 - b. Review and make recommendations to the board regarding district financial affairs and policies.
2. Audit Role: Oversight of external and internal audit processes

Committee Composition:

The committee shall be made up of up to three members of the Board of Education, the chief financial officer/board treasurer, and the board secretary. Ad hoc members shall be appointed on an as needed basis for matters of technical expertise or tacit knowledge. Committee members must be capable of:

- Meeting on a quarterly basis (minimum)
- Demonstrating a willingness to learn about school finance
- Broadly understanding the fiduciary responsibility as it relates to public funds
- Objectively evaluating proposed finance related decisions
- Asking questions that are representative of the understanding of the rest of the board
- Bringing a positive, constructive attitude and well-developed emotional intelligence to work with the board
- Effectively communicating financial related matters to the broader constituency

Responsibilities:

- Monitor the district budget: 1) ensure funds are spent to accomplish strategic initiatives as described within the Strategic Plan and 2) ensure the district is operating in a fiscally sustainable manner
- Regularly review financial and operational metrics
- As appropriate, provide reports and guidance to the full board
- Review and recommend major district expenditures
- Ensure compliance of existing policies and/or recommend new policies as it relates to the finance and business operations of the district
- Provide analysis and guidance related to capital and debt issuances
- Analyze financial implications of any proposed or enacted legislation by local, state, or federal governments
- Confer with the independent auditor to ensure the financial affairs of the district are in order

Policy/Governance Committee Commission

Statement of Purpose:

The Board of Education for the Linn-Mar Community School District calls for the board to appoint a Policy/Governance Committee to review and enact board policy to provide broad rules and guidelines governing the school district operations, which are developed within the overall framework of state laws and regulations as well as help to achieve the mission and vision of the Linn-Mar District and to train board members in their work and the work of the district.

The expected outcome from the work of this committee will be to ensure an effective board and district by guaranteeing that the board:

- Has a current policy manual that is responsive to all federal and state laws and requirements
- Has a policy manual that is responsive to local community needs
- Has a three-year policy manual review cycle
- Has a board learning agenda
- Communicates policy changes to the broader constituency
- Systematically engages in policy setting, enforcement, and execution

Committee Composition:

The committee shall be made up of up to three members of the Board of Education (to be appointed at the annual organizational meeting): the board secretary, the superintendent, and staffed by a member of the executive office. Ad hoc members shall be appointed on an as needed basis for matters of technical expertise or tacit knowledge. Committee members must be capable of:

- Meeting on a quarterly basis (minimum)
- Objectively evaluating proposed policy changes
- Identifying, cultivating, and brainstorming avenues of policy development
- Bringing a positive, constructive attitude and well-developed emotional intelligence to work with the board
- Demonstrating an eagerness to become an expert in high-impact governance
- Assuming responsibility for developing board policies

Commission:

The committee is commissioned to develop the board by focusing on:

- Policy:
 - Policy Setting (Governance):
 - Lead the board in regularly reviewing and updating the board policy manual
 - Help initiate policy design
 - Policy Management (Stewardship):
 - Help manage policy library
 - Maintain policy history
 - Policy Enforcement and Execution (Operational Implementation):
 - Conduct policy performance review and audit
- Board Learning:
 - Create and maintain board learning plan
 - Survey individual board member needs
 - Stay abreast of staff learning plan and district strategic efforts related to staff development

- Knowledge:
 - Design and oversee a process of board orientation to include providing information prior to election as a board member and, when needed, during the first cycle of board activity for new board members.
 - Design and implement an ongoing program of board information and education.
- Effectiveness:
 - Lead the periodic assessment of the board's performance. Propose, as appropriate, changes in board structure, roles, and responsibilities.
 - Provide ongoing counsel to the board president and other board members on steps to take to enhance board effectiveness.
 - Regularly review the board's practices regarding member participation, conflict of interest, confidentiality, etc., and suggest improvements as needed.
 - Periodically review and update the board's policies and practices.
 - Conduct meeting analysis on an as needed basis.

Career and Technical Education Advisory Committee Commission

Statement of Purpose:

The Board of Education for the Linn-Mar Community School District calls for the board to appoint a Career and Technical Education Advisory Committee to make recommendations to the board in the areas of career and technical education (CTE). The expected outcome of this committee will be to ensure that students are exposed to a well-rounded experience in the career and technical education fields as well as help to achieve the mission and vision of the Linn-Mar Community School District.

Committee Composition:

The committee shall consist of members representing parents, teachers, administrators, and representatives from the community, which may include representatives of business, industry, labor, community agencies, higher education, or other community constituents. To the extent possible, committee membership shall have balanced representation with regard to race, gender, national origin, and disability.

Commission:

The committee is commissioned to:

1. Receive updates from administration and teaching staff in regard to the Linn-Mar Career and Technical Education programs
2. Discuss and explore the current programs, as well as look at potential enhancements and changes to the curriculum and course offerings
3. Align and implement initiatives from the state and federal levels
4. Assess progress toward strategic initiatives as outlined in the district's *Strategic Plan*
5. Assess progress at the department, programmatic, and student level and make recommendations for future growth opportunities
6. Report areas of strength and continued areas of focus, as appropriate, to the board and community
7. Utilize the expertise of the counseling department in order to better facilitate student Pathways to Success within the CTE framework
8. Work with community partners (MEDCO, Marion Chamber of Commerce, City of Marion, Kirkwood Community College, Marion Independent School District, Iowa BIG, etc.) to provide comprehensive and coordinated opportunities for Linn-Mar students to experience and pursue future Pathways to Success within the CTE framework

School Improvement Advisory Committee Commission

Statement of Purpose:

The Code of Iowa (280.12) calls for the board to appoint a School Improvement Advisory Committee (SIAC) to make recommendations to the board. This committee is charged to make recommendations to the board in several areas based on analysis of the needs assessment data. The board will use these recommendations to adopt annual improvement goals that will help to achieve the mission and vision of the Linn-Mar District.

Committee Composition:

The advisory committee shall consist of members representing students, parents, teachers, administrators, and representatives from the community which may include representatives of business, industry, labor, community agencies, higher education, or other community constituents. To the extent possible, committee membership shall have balanced representation with regard to race, gender, national origin, and disability (280.12(1)). Ad hoc members shall be appointed on an as needed basis for matters of technical expertise or tacit knowledge.

Commission:

The committee is commissioned to make recommendations to the board to help determine the following:

1. Major educational needs
2. Student learning goals
3. Long-range and annual improvement goals that include, but are not limited to, the state indicators that address reading, mathematics, and science achievement
4. Desired levels of student performance
5. Progress toward meeting the goals set out in paragraphs “b” through “d” as referenced in the Iowa Code
6. Harassment or bullying prevention goals, programs, training, and other initiatives (280.12(2))

In addition, the board shall consider recommendations from the School Improvement Advisory Committee to infuse character education into the educational program (280.12(3)).

At least annually, the School Improvement Advisory Committee shall also make recommendations to the board with regard to, but not limited to, the following:

1. Progress achieved with the annual improvement goals for the state indicators that address reading, mathematics, and science;
2. Progress achieved with other locally determined core indicators; and
3. Annual improvement goals for the state indicators that address reading, mathematics, and science achievement.



LINN-MAR
Community
School District

Exhibit 601.1

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Linn-Mar Community School District
Marion, Iowa
For the fiscal year ended
June 30, 2019**

**Issued By: J.T. Anderson, CPA
Chief Financial Officer
Chief Operating Officer**

Comprehensive Annual Financial Report of the

Linn-Mar Community School District
Marion, Iowa

For the Fiscal Year Ended June 30, 2019

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

Office Issuing Report
Business Office

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LINN-MAR

Community School District

2999 North Tenth St.
Marion, IA 52302

Shannon Bisgard
Superintendent

Nathan Wear
Associate Superintendent

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

Leisa Breitfelder
Executive Director of
Student Services

Karla Christian
Chief HR Officer/Executive
Director of Communications

Jeri Ramos
Executive Director of
Technology Services

Sondra Nelson
President
Board of Education

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

November 20, 2019

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

We are proud to submit to you the Comprehensive Annual Financial Report of the Linn-Mar Community School District for the year ending June 30, 2019. This report has been prepared to conform to the guidelines recommended by the Association of School Business Officials International.

MANAGEMENT RESPONSIBILITY

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

CAFR

The 2019 Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Internal Controls and Compliance.

Introductory Section- This section includes a transmittal letter, economic outlook of the community, the District's accomplishments, the Certificate of Excellence in Financial Reporting for the year ended June 30, 2018, the District's Team Leadership Network and a list of the Board of Directors and District Officials.

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

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

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

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

Linn-Mar Community School District

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

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

The Linn-Mar Community School District is located in Linn County in east central Iowa. The District includes portions of the Cities of Cedar Rapids, Marion and Robins, as well as unincorporated land in northern Linn County. The District originated in 1948 as Marion Rural Independent School District, and became the Marion Rural Community School District under the Community School Reorganization Act adopted in 1955. It operated under this name from 1955 to 1963 when its name was changed to Linn-Mar Community School District. The District is currently the 12th largest of Iowa's 330 public school systems. The certified enrollment taken on October 1, 2018, was approximately 7,556 students, which is an increase of approximately 120 students from 2017-18. The District operates one high school, two middle schools, seven elementary schools, an alternative High School Program, a special education transition program, a home school assistance program and an early childhood preschool program. The District provides a full range of educational services appropriate to students in early childhood and preschool through grade twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational-technical education; and numerous individualized programs such as specialized instruction for students at-risk and for limited English speaking students.

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

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

Economic Condition and Outlook

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

Collins Aerospace (formerly Rockwell Collins) is the largest employer, not only in the Linn-Mar District, but in the Cedar Rapids metro area, employing approximately 8,000 people in the Cedar Rapids/Iowa City area. Collins produces advanced communications and aviation electronics for both government and commercial customers. The company is a leading supplier of commercial and military aviation electronics and communications systems.

Unemployment rates in the MSA Corridor continue to remain lower than national averages. The City of Marion continues to grow as does the City of Cedar Rapids. During calendar year 2018, the City of Marion issued 160 single-family dwelling building permits, 21 multi-family permits, and 22 new commercial building permits. District taxable assessed valuations have continued steady growth to over \$2.2 billion for January 2018 values.

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

On September 11, 2018, voters of the Linn-Mar Community School District approved a \$55 million general obligation bond vote for the construction of two new intermediate buildings. Construction of Boulder Peak and Hazel Point Intermediate Schools began in the Spring of 2019 and is scheduled to be completed in the Fall of 2020.

The financial solvency ratio of the District measures movement and distribution of current assets. The financial solvency ratio represents a school district's year-end position after payment of all current and outstanding or accrued liabilities. Iowa Association of School Boards recommends a target solvency ratio within a range of 5% to 15%. Since fiscal year 2009 the District has maintained a solvency ratio within this defined range. The current solvency ratio is 10.15%,

which is a slight decrease from 10.56% during 2017-18. The State set the supplemental state aid growth rate at 2.06% for the 2020 fiscal year. Future supplemental state aid beyond fiscal year 2020 is not known, but the District is projecting little to no growth, as that has been the trend for the past several years. Despite this unknown, Linn-Mar continues to realize steady enrollment growth and the District will thoughtfully plan its budget in order to maintain a solvency ratio and unspent balance ratio that is within the target range of 5% to 15%.

District Major Initiative and Achievements

The staff, board, students, and community members are to be commended for making the 2018-2019 school year a very productive one. Some of the many accomplishments for the year include:

- The District hosted its own Innovation Day for all secondary certified staff, focusing on specific areas such as blended learning, PBIS, and standards based grading.
- With 66.32% voter approval, the District passed a \$55 million bond referendum to construct two 5th and 6th grade intermediate buildings; Boulder Peak Intermediate and Hazel Point Intermediate.
- The District's Olweus Bullying Prevention Program was recognized nationally by earning the 2018-19 Ford Motor Fund Bullying Prevention Award.
- Linn-Mar partnered with another local school district to form the Marion Youth Center, which provides after school and summer opportunities for 5th through 9th grade at-risk students.
- The recording of approximately 26,148 volunteer hours with over 1,800 active volunteers in the District. Volunteers enhance our students' learning by acting as tutors, reading to kindergarten classrooms, assisting teachers in their classrooms or on field trips, or serving on committees. Last year, 105 volunteers gave more than 100 hours each to our schools.
- The District was recognized for its continued excellence in financial reporting with the receipt of the District's fifteenth consecutive Certificate of Excellence in Financial Reporting award for the 2017-2018 Comprehensive Annual Financial Report (CAFR).

All of the dedicated work that went into these initiatives and achievements had one main focus: supporting the learning of the District's students. For the 2018-2019 school year, the students, as a group, continued to perform at a high level. Following are a few indicators:

- Student achievement exceeded the state average for each grade span in reading, math and science as measured on the Iowa Assessment standardized test.

- Students in grades 6-8 met or exceeded their target growth on the NWEA MAP mathematics and reading tests.
- Linn-Mar students continue to score higher than both the state and national averages of students that complete the ACT assessment. The 18-19 Linn-Mar Community School District composite ACT score was 23.9 compared to 21.6 for the state.
- The 2018-19 Linn-Mar composite average for Advanced Placement exams was 3.64.
- On the FAST Assessment Linn-Mar students achieved at a 80% proficiency level in the Spring of 2019.
- Seven Linn-Mar students were recognized as National Merit semi-finalists.

Financial Information

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties the District prepares a more detailed budget for each fund. The following information reflects the comprehensive budget for these individual funds rather than demonstrating compliance at the legal level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Independent Audit

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

with auditing standards generally accepted in the United State of America and, accordingly, included a review of the District's system of budgetary and accounting controls.

Certificate of Excellence in Financial Reporting

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

In order to be eligible to receive the Certificate, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, (CAFR) whose contents conform to program standards. Such CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

Acknowledgements

The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This would not have been possible without the help of several people. We would like to express our appreciation to all District, City and County employees who assisted in the preparation of this report.

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



J.T. Anderson
Chief Financial Officer
Chief Operating Officer



Shannon Bisgard
Superintendent of Schools



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

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

Linn-Mar Community School District

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

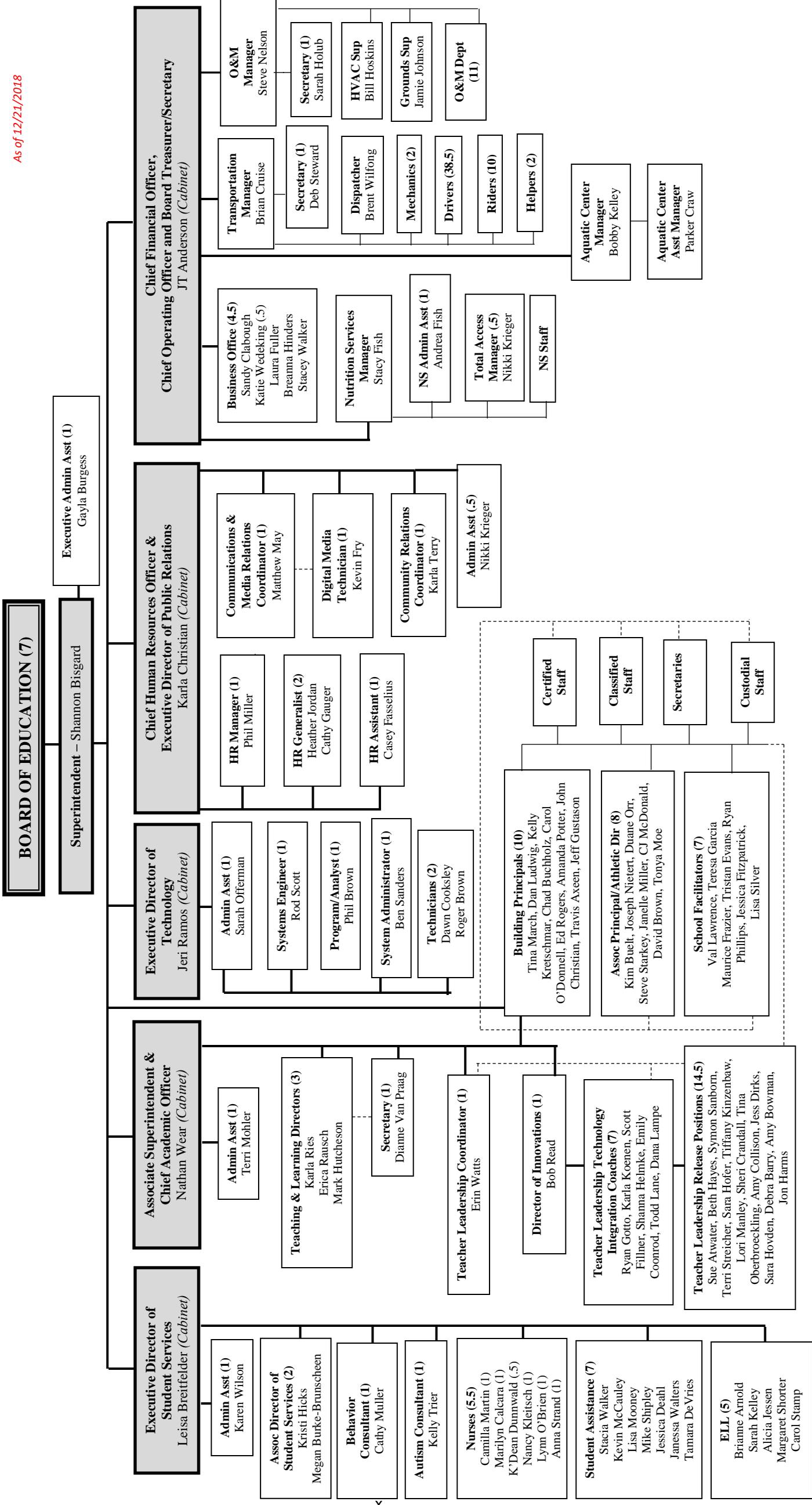


Joe Wohlfel

Sirshu M. Mehta

2018-19 ORGANIZATIONAL CHART

As of 12/21/2018



Linn-Mar Community School District

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

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





Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Linn-Mar Community School District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, and schedules of proportionate share of the net pension liability and schedules of contributions on pages 4–14 and 52-59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other information including the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
November 19, 2019



Linn-Mar Community School District

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

Linn-Mar Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2019. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2018-19 Financial Highlights

- The District's net position for governmental activities was \$56,563,723 at June 30, 2019, compared to \$54,425,191 at June 30, 2018, an increase of \$2,138,532 or 3.93 percent.
- The District's net position for business-type activities was \$1,233,405 at June 30, 2019 compared to \$1,107,394 at June 30, 2018, an increase of \$126,011 or 11.38 percent.
- At the end of fiscal year 2019, the total of assigned and unassigned fund balances in the General Fund was \$8,793,019 or 10.16 percent of total General Fund revenues compared to prior year's total balance of \$8,816,614 or 10.57 percent of total General Fund revenues.
- The District's long-term bonded debt and capital loan notes increased approximately \$2,682,823 due to the scheduled debt repayments and amortization of premiums and discounts being less than the issuance of \$10,000,000 general obligation bonds.

Using this Annual Report

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

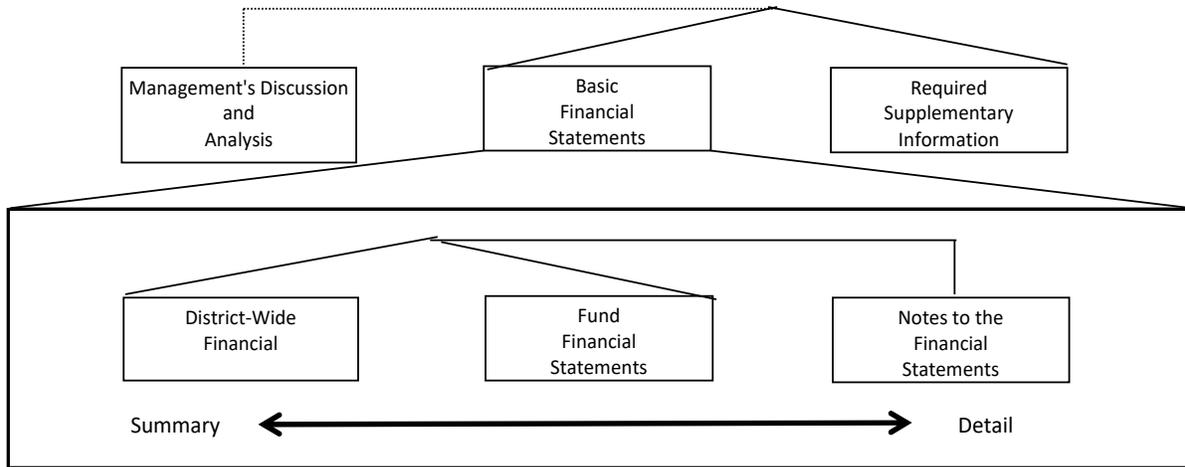
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about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

Linn-Mar Community School District

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

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

Figure A-1
Linn-Mar Community School District



Linn-Mar Community School District

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

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

Linn-Mar Community School District

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

Reporting the District's Financial Activity

Government-Wide Financial Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or position.

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

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

Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.

Business-type activities: The District charges fees to help it cover the costs of certain services it provides. The District's food service program, aquatic center and ROAR store activities would be included here.

Fund Financial Statements

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

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

The District has two kinds of funds:

- 1) **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information in the notes to financial statements explains the relationship (or differences) between them.
- 2) **Proprietary funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Government-wide financial statements. The District's Enterprise Funds (one type of proprietary fund) are the same as its business-type activities but provides more detail and additional information, such as cash flows.

Linn-Mar Community School District

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

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

Government-Wide Financial Analysis

Net position is an indicator of the fiscal health of the District. The District's net position increased by 4 percent, increasing from approximately \$55.54 million at June 30, 2018, to approximately \$57.79 million at June 30, 2019. Figure A-3 below provides a summary of the District's net position as of June 30, 2019 compared to June 30, 2018.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2018-2019
	2019	2018	2019	2018	2019	2018	
Current and other assets	\$ 83.84	\$ 71.39	\$ 1.85	\$ 1.57	\$ 85.69	\$ 72.96	17%
Capital assets	151.06	150.46	0.57	0.66	151.63	151.12	0%
Total assets	234.90	221.85	2.42	2.23	237.32	224.08	6%
Deferred outflows of resources	13.75	15.14	0.40	0.45	14.15	15.59	-9%
Long-term obligations	128.18	134.07	1.36	1.38	129.54	135.45	-4%
Other liabilities	21.66	10.86	0.16	0.15	21.82	11.01	98%
Total liabilities	149.84	144.93	1.52	1.53	151.36	146.46	3%
Deferred inflows of resources	42.25	37.63	0.08	0.04	42.33	37.67	12%
Net position:							
Net investment in capital assets	76.71	70.50	0.57	0.67	77.28	71.17	9%
Restricted	10.55	12.01	-	-	10.55	12.01	-12%
Unrestricted	(30.70)	(28.08)	0.66	0.44	(30.04)	(27.64)	9%
Total net position	\$ 56.56	\$ 54.43	\$ 1.23	\$ 1.11	\$ 57.79	\$ 55.54	4%

Net investment in capital assets, such as land, buildings, machinery and equipment, less any outstanding debt used to acquire those assets is approximately \$77.28 million. These assets are considered non-spendable since they represent capital assets used to provide services to students. The resources needed to pay the obligations from the debt related to these assets must be provided from other resources. Approximately \$10.55 million of net position has some external restrictions on how the funds may be used. The deficit remaining balance of approximately \$30.04 million represents unrestricted net position. Unrestricted net position remains at a deficit net position due to the District's net pension liability reporting requirements which were implemented in fiscal year 2015 and other postemployment benefit liability implemented in fiscal year 2018.

As mentioned before, restricted net position represents resources that are subject to external restrictions such as enabling legislation or constitutional provisions. The District's restricted net position decreased approximately \$1.46 million, or 12 percent from the prior year. The decrease in the District's restricted net position was due primarily to the decrease in amounts restricted for school infrastructure. The District expended approximately \$5.9 million on capital projects in fiscal year 2019.

Linn-Mar Community School District

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

Unrestricted net position represents the assets that can be used to finance day-to-day operations without constraints established by debt restrictions, enabling legislation or other legal binding requirements. Unrestricted net position decreased approximately \$2.40 million, or 9 percent.

The following figure shows changes in net position for the year ended June 30, 2019, compared to the year ended June 30, 2018.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Change
	2019	2018	2019	2018	2019	2018	2018-19
Revenues:							
Program revenues:							
Charges for services	\$ 10.04	\$ 7.85	\$ 2.66	\$ 2.64	\$ 12.70	\$ 10.49	21.1%
Operating grants, contributions and restricted interest	13.13	14.46	1.38	1.27	14.51	15.73	-7.8%
Capital grants, contributions and restricted interest	-	0.03	-	-	-	0.03	-100.0%
General revenues:							
Property taxes	36.47	34.70	-	-	36.47	34.70	5.1%
Revenue in lieu of taxes	1.03	0.95	-	-	1.03	0.95	8.4%
Statewide sales and services tax	7.65	7.16	-	-	7.65	7.16	6.8%
Unrestricted state grants	36.14	35.24	-	-	36.14	35.24	2.6%
Investment earnings	0.46	0.19	0.02	0.01	0.48	0.20	140.0%
Gain on sale of capital assets	0.05	-	-	-	0.05	-	0.0%
Other	0.17	0.38	-	-	0.17	0.38	-55.3%
Total revenues	105.14	100.96	4.06	3.92	109.20	104.88	4.1%
Expenses:							
Instruction	61.47	58.93	-	-	61.47	58.93	4.3%
Support services	30.75	28.50	0.32	0.29	31.07	28.79	7.9%
Noninstructional programs	0.09	0.10	3.58	3.62	3.67	3.72	-1.3%
Other	10.69	10.32	0.03	0.04	10.72	10.36	3.5%
Total expenses	103.00	97.85	3.93	3.95	106.93	101.80	5.0%
Increase in net position before transfer	2.14	3.11	0.13	(0.03)	2.27	3.08	-26.3%
Net position, beginning	54.43	51.32	1.11	1.14	55.54	52.46	
Net position, ending	\$ 56.57	\$ 54.43	\$ 1.24	\$ 1.11	\$ 57.81	\$ 55.54	

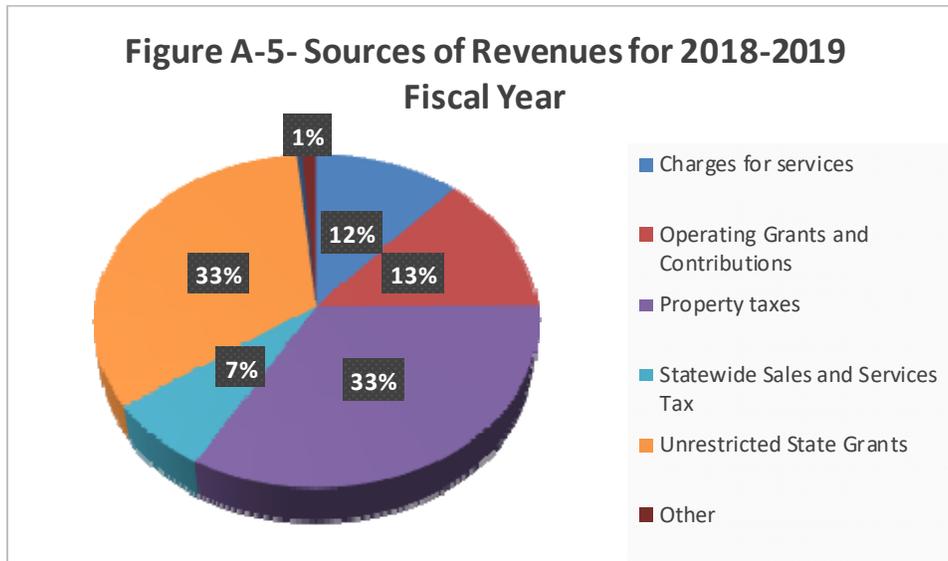
During fiscal year 2019, property tax and unrestricted state grants accounted for 69.06 percent of governmental activities revenue while charges for service and operating grants, contributions and restricted interest accounted for all of business type activities revenue.

The District as a whole experienced a 4.1 percent increase in revenue while experiencing a 5.0 percent increase in expenses. The District's total revenue was approximately \$109.20 million of which \$105.14 million was for governmental activities, while the remaining \$4.06 million was for business-type activities.

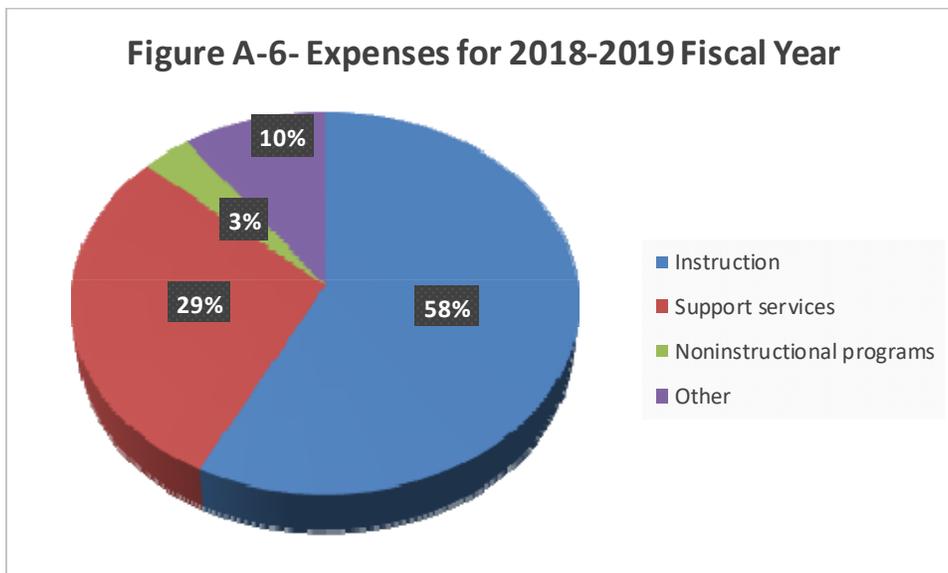
Linn-Mar Community School District

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

Property taxes and unrestricted state grants account for most of the District's revenue, with each contributing approximately 33 percent of the total dollars collected. (See figure A-5).



The total cost for all programs and services increased 5.1 percent to \$106.93 million. The District's total expenses are listed in Figure A-6. The chart shows that the majority of the District's expenses (87 percent) are devoted to instruction and student instructional support services.



Linn-Mar Community School District

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

Governmental Activities

Revenues for the District's governmental activities increased 4.14 percent, while expenses increased 5.26 percent. The increase in revenues can be attributed to the increase in property tax and charges for services received during fiscal year 2019 as compared to fiscal year 2018.

The District experienced a \$5.15 million increase in governmental activities expenses, the majority of which can be attributed primarily to an increase in negotiated salaries and benefits.

Figure A-7 presents the total and net cost of the District's four major governmental activities: instruction, support services, noninstructional programs and other expenses, for the year ended June 30, 2019 compared to the year ended June 30, 2018.

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2019	2018	Change	2019	2018	Change
			2018-19			2018-19
Instruction	\$ 61.47	\$ 58.93	0.04%	\$ 43.51	\$ 41.69	4.4%
Support services	30.74	28.50	0.08	28.88	26.63	8.4%
Non-instructional	0.09	0.10	(0.10)	0.10	0.10	0.0%
Other	10.70	10.32	0.04	7.35	7.08	3.8%
Total	\$ 103.00	\$ 97.85	0.05	\$ 79.84	\$ 75.50	5.7%

For the year ended June 30, 2019:

- The cost financed of all governmental activities this year was approximately \$103.00 million.
- The cost financed by users of the District's programs was approximately \$10.04 million.
- Federal and state governments subsidized certain programs with grants and contributions as well as contributions from local sources totaling approximately \$13.13 million.
- The net cost of governmental activities was financed with approximately \$36.47 million in property tax, \$7.65 million in statewide sales, services and use tax, \$36.14 million in unrestricted state grants and \$0.68 million in unrestricted interest, gain on sale of capital assets and other income.

Business-Type Activities

Revenues of the District's business type activities increased by 3.57 percent to approximately \$4.06 million while expenses remained relatively stable (Refer to Figure A-4). The School Nutrition Fund, Aquatic Center Fund and ROAR Store Fund are the District's three business-type activities. The revenues in these three funds can be broken down into three main categories; charges for service, federal and state reimbursements and investment income.

The District's business type activities net position increased from approximately \$1.11 million at June 30, 2018 to approximately \$1.24 million at June 30, 2019, an increase of \$0.13 million or 11.70 percent.

Linn-Mar Community School District

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

Governmental Fund Highlights

At the end of fiscal year 2019, the District's governmental funds reported combined ending fund balances of \$31,049,545, an increase of \$6,575,826 from the prior year. A closer look at each individual major governmental fund reveals the following:

- The General Fund balance decreased from approximately \$9.97 million on June 30, 2018, to approximately \$9.86 million on June 30, 2019. General Fund revenues increased from the prior year by approximately \$3.09 million. Revenues increased due to increases in assessed valuation for property taxes and increased state funding for programs. General Fund expenditures increased by \$2.80 million due to increases in salaries and benefits.
- The Capital Projects Fund balance increased from approximately \$6.99 million on June 30, 2018 to approximately \$13.14 million on June 30, 2019. The increase in overall Capital Projects Fund balance can be attributed to the issuance of \$10 million in general obligation bonds to finance capital expenditures.
- The Debt Service Fund balance increased from approximately \$4.08 million on June 30, 2018, to approximately \$4.21 million on June 30, 2019. Revenues and expenditures did not vary significantly from the prior year and are based on scheduled debt service of the District's debt obligations.

Proprietary Fund Highlights

The District's proprietary fund revenues exceeded expenses. Eight of the previous ten years the District's business-type revenues exceeded expenses. At the close of fiscal year 2019, revenues exceeded expenses by \$126,011. Total operating expenses decreased slightly from \$3,954,046 in 2018 to \$3,933,121 in 2019 primarily due to a decrease in supplies.

Budgetary Highlights

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

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

The District's total actual revenues were \$905,919 more than budgeted revenues, a variance of 0.84 percent from final budgeted amounts. The main contributing factor to the variance was with the District receiving more in state revenue than was originally budgeted or anticipated. The District did not exceed the budgeted expenditures/expenses in any of the four functions.

By April 15th of each year, the budget must be adopted by the Board of Directors for the fiscal year beginning July 1 through June 30, which immediately follows. Because there are a number of unknowns at that time, such as State revenue allocations, insurance premiums, negotiated employee contracts, enrollment increase, and construction project invoicing, the District has the ability to amend its budget before May 31st of each year. The District amended the budgeted \$2,250,000 for additional expenditures in the instructional function for additional purchases.

Linn-Mar Community School District

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

Capital Asset Administration

By the end of fiscal year 2019, the District had invested, net of depreciation, approximately \$151.63 million in various capital assets including land, buildings, vehicles and equipment (See Figure A-8). This amount represents a net increase of approximately \$.51 million or 0.3 percent over the previous fiscal year. The primary reason for the increase in capital assets for fiscal year 2019 is due to the construction of two new junior high school buildings.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
							Change
	2019	2018	2019	2018	2019	2018	2018-19
Land	\$ 6,456	\$ 6,456	\$ -	\$ -	\$ 6,456	\$ 6,456	0.0%
Construction in progress	5,588	457	-	-	5,588	457	1122.8%
Buildings	120,566	123,953	-	-	120,566	123,953	-2.7%
Land improvements	13,473	14,578	575	666	14,048	15,244	-7.8%
Machinery and equipment	4,976	5,018	-	-	4,976	5,018	-0.8%
Total	\$ 151,059	\$ 150,462	\$ 575	\$ 666	\$ 151,634	\$ 151,128	0.3%

Long-Term Liabilities

At year end, the District had approximately \$137.62 million in long-term debt, an increase of approximately \$2.17 million from the previous fiscal year. Approximately \$8.09 million of the District's long-term debt is due within one year. The primary reason for the increase in long-term liabilities for fiscal year 2019 is due to the issuance of \$10 million in general obligation bonds. Detailed information regarding the District's long-term debt can be found in Note 6 of the Notes to Basic Financial Statements.

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
							Change
	2019	2018	2019	2018	2019	2018	2018-19
General obligation bonds	\$ 32,420	\$ 25,000	\$ -	\$ -	\$ 32,420	\$ 25,000	29.7%
Revenue bonds	45,990	49,490	-	-	45,990	49,490	-7.1%
Capital loan notes	6,885	7,945	-	-	6,885	7,945	-13.3%
Bond premiums, net of amortization	1,147	1,326	-	-	1,147	1,326	-13.5%
Bond discounts, net of amortization	(11)	(12)	-	-	(11)	(12)	-8.3%
Termination benefits	695	243	-	-	695	243	186.0%
Compensated absences	33	43	-	-	33	43	-23.3%
Net pension liability	46,086	47,372	1,275	1,311	47,361	48,683	-2.7%
Net OPEB liability	3,020	2,659	83	72	3,103	2,731	13.6%
Total	\$ 136,265	\$ 134,066	\$ 1,358	\$ 1,383	\$ 137,623	\$ 135,449	1.6%

Linn-Mar Community School District

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

Factors Bearing on the District's Future

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

- The state has set supplemental state aid at 2.06 percent for fiscal year 2020. A supplemental state aid below 4 percent creates significant challenges for schools in Iowa to meet increasing expenditure demands.
- Collins Aerospace, the District's largest employer, continues to be active in merger and acquisition negotiations of some of its core business units. The impact of these negotiations on the District and the Cedar Rapids Metropolitan Area is not fully known.
- With two new intermediate school buildings opening in the fall of 2020 the District expects its general fund operating expenditures to increase 5% or more in fiscal year 2020.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the office of the Business Administrator, Linn-Mar Community School District, 2999 10th Street, Marion, Iowa 52302.

BASIC FINANCIAL STATEMENTS



Linn-Mar Community School District

Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 27,293,881	\$ 1,809,488	29,103,369
Receivables:			
Property tax:			
Delinquent	129,614	-	129,614
Succeeding year	39,890,611	-	39,890,611
Accounts	27,938	9,011	36,949
Accrued interest	93,091	-	93,091
Due from other governments	4,306,820	-	4,306,820
Inventories	-	36,900	36,900
Restricted cash and pooled investments	12,094,734	-	12,094,734
Capital assets:			
Nondepreciable	12,043,613	-	12,043,613
Depreciable, net	139,016,106	574,630	139,590,736
Total assets	234,896,408	2,430,029	237,326,437
Deferred outflows of resources:			
OPEB related deferred outflows	87,575	2,393	89,968
Pension related deferred outflows	13,666,753	395,231	14,061,984
Total deferred outflows of resources	13,754,328	397,624	14,151,952
Liabilities			
Accounts payable	4,150,011	49,871	4,199,882
Salaries and benefits payable	8,368,711	21,726	8,390,437
Accrued interest payable	1,056,095	-	1,056,095
Unearned revenue	-	83,645	83,645
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	2,690,000	-	2,690,000
Revenue bonds payable	3,585,000	-	3,585,000
Capital loan note payable	1,085,000	-	1,085,000
Compensated absences payable	33,045	-	33,045
Termination benefits payable	695,042	-	695,042
Portion due after one year:			
General obligation bonds payable, net premiums/discounts	30,866,048	-	30,866,048
Revenue bonds payable	42,405,000	-	42,405,000
Capital loan note payable	5,800,000	-	5,800,000
Net pension liability	46,085,778	1,275,065	47,360,843
Net OPEB liability	3,019,794	82,522	3,102,316
Total liabilities	149,839,524	1,512,829	151,352,353
Deferred inflows of resources:			
Succeeding year property tax	39,890,611	-	39,890,611
OPEB related deferred inflows	56,515	1,544	58,059
Pension related deferred inflows	2,300,363	79,875	2,380,238
Total deferred inflows of resources	42,247,489	81,419	42,328,908
Net Position			
Net investment in capital assets	76,718,101	574,630	77,292,731
Restricted for:			
Categorical funding	1,067,117	-	1,067,117
Debt service	4,213,238	-	4,213,238
School infrastructure	476,737	-	476,737
Physical plant and equipment levy	953,612	-	953,612
Management levy	2,296,859	-	2,296,859
Student activities	850,728	-	850,728
Public education and recreation levy	691,920	-	691,920
Unrestricted	(30,704,589)	658,775	(30,045,814)
Total net position	\$ 56,563,723	\$ 1,233,405	\$ 57,797,128

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction	\$ 61,473,758	\$ 8,173,922	\$ 9,787,760
Support services:			
Student services	4,299,379	-	-
Instructional staff	6,282,247	1,846,224	-
Administration services	7,553,924	-	-
Operation and maintenance of plant services	9,049,914	-	-
Student transportation	3,559,751	16,217	-
Total support services	30,745,215	1,862,441	-
Non-instructional programs:			
Food service operations	55,718	-	-
Community service operations	37,833	-	-
Total non-instructional programs	93,551	-	-
Long-term debt interest	2,599,276	-	-
Other expenses:			
AEA flowthrough	3,339,090	-	3,339,090
Depreciation (unallocated)*	4,752,841	-	-
Total other expenses	8,091,931	-	3,339,090
Total governmental activities	103,003,731	10,036,363	13,126,850
Business-type activities:			
School nutrition	3,579,698	2,266,321	1,376,878
Aquatic center	316,352	351,434	-
ROAR store	37,071	46,990	-
Total business-type activities	3,933,121	2,664,745	1,376,878
Total	\$ 106,936,852	\$ 12,701,108	\$ 14,503,728

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

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$ (43,512,076)	\$ -	\$ (43,512,076)
-	(4,299,379)	-	(4,299,379)
-	(4,436,023)	-	(4,436,023)
-	(7,553,924)	-	(7,553,924)
-	(9,049,914)	-	(9,049,914)
-	(3,543,534)	-	(3,543,534)
-	(28,882,774)	-	(28,882,774)
-	(55,718)	-	(55,718)
-	(37,833)	-	(37,833)
-	(93,551)	-	(93,551)
-	(2,599,276)	-	(2,599,276)
-	-	-	-
-	(4,752,841)	-	(4,752,841)
-	(4,752,841)	-	(4,752,841)
-	(79,840,518)	-	(79,840,518)
-	-	63,501	63,501
-	-	35,082	35,082
-	-	9,919	9,919
-	-	108,502	108,502
\$ -	\$ (79,840,518)	\$ 108,502	\$ (79,732,016)
	29,270,203	-	29,270,203
	3,628,213	-	3,628,213
	3,576,418	-	3,576,418
	1,034,904	-	1,034,904
	7,645,473	-	7,645,473
	36,137,495	-	36,137,495
	460,739	17,201	477,940
	54,987	-	54,987
	170,618	308	170,926
	81,979,050	17,509	81,996,559
	2,138,532	126,011	2,264,543
	54,425,191	1,107,394	55,532,585
\$	\$ 56,563,723	\$ 1,233,405	\$ 57,797,128

Linn-Mar Community School District

Balance Sheet
Governmental Funds
June 30, 2019

	General	Capital Projects	Debt Service	Nonmajor	Total
Assets					
Cash and pooled investments	\$ 16,170,852	\$ 2,932,970	\$ 4,295,260	\$ 3,894,799	\$ 27,293,881
Restricted cash and pooled investments	-	12,094,734	-	-	12,094,734
Receivables:					
Property tax:					
Delinquent	99,464	12,750	12,674	4,726	129,614
Succeeding year	29,295,027	3,806,873	5,698,911	1,089,800	39,890,611
Due from other governments	3,323,691	983,129	-	-	4,306,820
Accounts	27,938	-	-	-	27,938
Accrued interest	-	93,091	-	-	93,091
Total assets	\$ 48,916,972	\$ 19,923,547	\$ 10,006,845	\$ 4,989,325	\$ 83,836,689
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,400,108	\$ 2,596,895	\$ 100,000	\$ 53,008	\$ 4,150,011
Salaries and benefits payable	8,361,701	-	-	7,010	8,368,711
Total liabilities	9,761,809	2,596,895	100,000	60,018	12,518,722
Deferred inflows of resources:					
Statewide sales and services tax	-	377,809	-	-	377,809
Succeeding year property tax	29,295,027	3,806,873	5,698,911	1,089,800	39,890,611
Total deferred inflows of resources	29,295,027	4,184,682	5,698,911	1,089,800	40,268,420
Fund balances:					
Restricted for:					
Categorical funding	1,067,117	-	-	-	1,067,117
Debt service	-	-	4,207,934	-	4,207,934
School infrastructure	-	12,188,358	-	-	12,188,358
Physical plant and equipment levy	-	953,612	-	-	953,612
Management levy	-	-	-	2,296,859	2,296,859
Student activities	-	-	-	850,728	850,728
Public education and recreation levy	-	-	-	691,920	691,920
Assigned for specific purposes	421,121	-	-	-	421,121
Unassigned	8,371,898	-	-	-	8,371,898
Total fund balance	9,860,136	13,141,970	4,207,934	3,839,507	31,049,547
Total liabilities, deferred inflows of resources, and fund balances	\$ 48,916,972	\$ 19,923,547	\$ 10,006,845	\$ 4,989,325	\$ 83,836,689

See Notes to Basic Financial Statements.

Linn-Mar Community School District

**Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
June 30, 2019**

Total fund balances of governmental funds		\$ 31,049,547
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.		151,059,719
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.		377,809
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.		(1,056,095)
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:		
Deferred inflows of resources related to OPEB	(56,515)	
Deferred outflows of resources related to OPEB	87,575	
Deferred outflows of resources related to pension	13,666,753	
Deferred inflows of resources related to pension	<u>(2,300,363)</u>	11,397,450
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds.		
General obligation bonds payable	(32,420,000)	
Revenue bonds payable	(45,990,000)	
Capital loan notes payable	(6,885,000)	
Unamortized bond discounts	11,344	
Unamortized bond premiums	(1,147,392)	
Termination benefits	(695,042)	
Compensated absences	(33,045)	
Net pension liability	(46,085,778)	
Net OPEB liability	<u>(3,019,794)</u>	(136,264,707)
Net position of governmental activities		<u><u>\$ 56,563,723</u></u>

See Notes to Basic Financial Statements.

Linn-Mar Community School District

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

	General	Capital Projects	Debt Service	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 28,141,026	\$ 3,770,289	\$ 3,603,583	\$ 1,334,301	\$ 36,849,199
Tuition	5,282,546	-	-	-	5,282,546
Other	1,394,460	115,171	27,632	1,810,321	3,347,584
State sources	48,779,896	7,718,885	99,008	38,486	56,636,275
Federal sources	2,944,639	-	-	-	2,944,639
Total revenues	86,542,567	11,604,345	3,730,223	3,183,108	105,060,243
Expenditures:					
Current:					
Instruction					
Regular	57,302,699	2,428,214	-	2,054,599	61,785,512
Total instruction	57,302,699	2,428,214	-	2,054,599	61,785,512
Support services:					
Student services	4,176,449	-	-	7,226	4,183,675
Instructional staff services	6,131,016	263	-	6,557	6,137,836
Administration services	7,173,573	139,458	50,887	15,916	7,379,834
Operation and maintenance of plant services	6,144,123	261,072	-	460,944	6,866,139
Student transportation	2,424,579	493,876	-	131,407	3,049,862
Total support services	26,049,740	894,669	50,887	622,050	27,617,346
Non-instructional programs					
Food service operations	-	-	-	54,726	54,726
Community service operations	-	-	-	37,833	37,833
Total non-instructional	-	-	-	92,559	92,559
Other expenditures:					
Capital outlay	-	5,868,615	-	30,828	5,899,443
AEA flowthrough	3,339,090	-	-	-	3,339,090
Debt service:					
Principal on long-term debt	-	-	7,140,000	-	7,140,000
Interest on long-term debt	-	100,000	2,659,588	-	2,759,588
Total other	3,339,090	5,968,615	9,799,588	30,828	19,138,121
Total expenditures	86,691,529	9,291,498	9,850,475	2,800,036	108,633,538
Excess (deficiency) of revenues over (under) expenditures	(148,962)	2,312,847	(6,120,252)	383,072	(3,573,295)
Other financing sources (uses):					
Proceeds from sale of equipment	55,820	-	-	-	55,820
Issuance of long term debt	-	10,000,000	-	-	10,000,000
Premium on issuance of long term debt	-	93,303	-	-	93,303
Interfund transfers in	-	-	6,249,222	18,378	6,267,600
Interfund transfers (out)	(18,378)	(6,249,222)	-	-	(6,267,600)
Total other financing sources (uses)	37,442	3,844,081	6,249,222	18,378	10,149,123
Net change in fund balance	(111,520)	6,156,928	128,970	401,450	6,575,828
Fund balances, beginning of year	9,971,656	6,985,042	4,078,964	3,438,057	24,473,719
Fund balances, end of year	\$ 9,860,136	\$ 13,141,970	\$ 4,207,934	\$ 3,839,507	\$ 31,049,547

See Notes to Basic Financial Statements.

Linn-Mar Community School District

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

Net change in fund balances - total governmental funds \$ 6,575,828

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense in the year are as follows:

Capital outlay	6,277,065	
Depreciation expense	<u>(5,678,672)</u>	598,393
Proceeds from sale of capital assets		(55,820)
Gain on sale of capital assets		54,987

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenue for statewide sales and services tax. 27,033

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Current year items are as follows:

Issuance of general obligation bonds	(10,000,000)	
Premium on issuance of general obligation bonds	(93,303)	
Principal repayments	7,140,000	
Amortization of premiums and discounts	<u>270,480</u>	(2,682,823)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. (110,168)

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

Change in termination benefits	(451,663)	
Change in compensated absences	10,012	
Change in pension expense and related deferrals	(1,560,388)	
Change in OPEB expense and related deferrals	<u>(266,859)</u>	(2,268,898)

Change in net position of governmental activities **\$ 2,138,532**

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities
	Nonmajor Enterprise Funds
Assets	
Current:	
Cash and cash equivalents	\$ 1,809,488
Accounts receivable	9,011
Inventories	36,900
Total current assets	<u>1,855,399</u>
Noncurrent:	
Capital assets, net of accumulated depreciation	574,630
Total noncurrent assets	<u>574,630</u>
Total assets	<u>2,430,029</u>
Deferred Outflows of Resources:	
OPEB related deferred outflows	2,393
Pension related deferred outflows	395,231
Total deferred outflows of resources	<u>397,624</u>
Liabilities	
Current:	
Accounts payable	49,871
Salaries and benefits payable	21,726
Unearned revenue	83,645
Total current liabilities	<u>155,242</u>
Noncurrent:	
Net pension liability	1,275,065
Net OPEB liability	82,522
Total noncurrent liabilities	<u>1,357,587</u>
Total liabilities	<u>1,512,829</u>
Deferred Inflows of Resources:	
OPEB related deferred inflows	1,544
Pension related deferred inflows	79,875
Total deferred inflows of resources	<u>81,419</u>
Net Position	
Net investment in capital assets	574,630
Unrestricted	658,775
Total net position	<u>\$ 1,233,405</u>

See Notes to Basic Financial Statements.

Linn-Mar Community School District

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

	Business-Type Activities
	Nonmajor Enterprise Funds
Operating revenues:	
Local sources, charges for services	\$ 2,664,745
Miscellaneous	308
Total operating revenues	<u>2,665,053</u>
Operating expenses:	
Non-instructional programs:	
Food service:	
Salaries	1,514,703
Benefits	314,531
Services	1,071
Supplies	1,617,201
Depreciation	131,431
Other	761
Total food service	<u>3,579,698</u>
Other enterprise	<u>37,071</u>
Community service:	
Salaries	215,493
Benefits	33,265
Services	6,894
Supplies	60,700
Total community service	<u>316,352</u>
Total operating expenses	<u>3,933,121</u>
Operating (loss)	<u>(1,268,068)</u>
Nonoperating revenues:	
State sources	25,588
Federal sources	1,351,290
Interest on investments	17,201
Total nonoperating revenues	<u>1,394,079</u>
Change in net position	126,011
Net position, beginning of year	1,107,394
Net position, end of year	<u>\$ 1,233,405</u>

See Notes to Basic Financial Statements.

Linn-Mar Community School District

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

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>
Cash flows from operating activities:	
Cash received from food service sales	\$ 2,250,423
Cash received from aquatic center operations	351,434
Cash received from ROAR store operations	46,990
Cash received from miscellaneous operating activities	308
Cash payments to employees for services	(2,048,949)
Cash payments to suppliers for goods or services	(1,418,495)
Net cash (used in) operating activities	<u>(818,289)</u>
Cash flows from noncapital financing activities:	
State grants received	25,588
Federal grants received	1,097,762
Net cash provided by noncapital financing activities	<u>1,123,350</u>
Cash flows from capital financing activities, acquisition of capital assets	<u>(39,907)</u>
Cash flows from investing activities, interest on investments	<u>17,201</u>
Net increase in cash and cash equivalents	282,355
Cash and cash equivalents, beginning of year	1,527,133
Cash and cash equivalents, end of year	<u>\$ 1,809,488</u>
Reconciliation of operating (loss) to net cash (used in) operating activities:	
Operating loss	\$ (1,268,068)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:	
Commodities consumed	253,528
Depreciation	131,431
Decrease in inventories	2,762
(Increase) in accounts receivable	(8,901)
Increase in accounts payable	48,913
(Decrease) in salaries and benefits payable	(33,502)
Increase in OPEB liability and related deferrals	7,293
Increase in net pension liability and related deferrals	55,252
Decrease in unearned revenue	(6,997)
Net cash (used in) operating activities	<u>\$ (818,289)</u>

Noncash: Noncapital financing activities:

During the year ended June 30, 2019, the District used \$253,528 of federal commodities.

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies

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

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

Reporting entity:

For financial reporting purposes, Linn-Mar Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. Linn-Mar Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

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

Basis of presentation:

District-wide financial statements: The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation plus unspent bond proceeds and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement to those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management which can be removed or modified.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customer or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements: Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the District-wide financial statements. The District does not have any fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Project Fund accounts as well as the nonmajor enterprise funds.

The District reports the following major governmental funds:

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

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

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

The District reports the following nonmajor governmental funds:

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

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

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

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

Measurement focus and basis of accounting:

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under term of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Linn-Mar Community School District

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Cash, pooled investments and cash equivalents: The cash balances of most District funds are pooled and invested. Investments are stated at fair value and non-negotiable certificates of deposit which are stated at amortized cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and, at the day of purchase, have maturity date no longer than three months.

Property tax receivable: Property tax in governmental funds is accounted for using the modified accrual basis of accounting. Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded the released revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 1/2 % per month penalty for delinquent payments; is based on January 1, 2017 assessed property valuations; is for the tax accrual period July 1, 2018 through June 30, 2019 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2018.

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

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

Linn-Mar Community School District

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

Note 1. Summary of Significant Accounting Policies (Continued)

Capital assets: Capital assets, which include property, machinery, equipment and intangibles acquired after July 1, 1980 are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and established useful lives in excess of two years.

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

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

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

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

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Linn-Mar Community School District

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

Deferred inflows of resources: Deferred inflows of resources represent an acquisition of net position that applies to future year(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unavailable revenue in the governmental funds consists of property tax and statewide sales and services tax.

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

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

Compensated absences: District employees accumulate a limited amount of earned but unused vacation and sick leave for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the District-wide financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2019. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

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

Nonspendable: Balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

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

Committed: Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

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

Net Position: In proprietary funds, fiduciary funds, and government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent bond proceeds of \$12,089,430. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted by enabling legislation as of June 30, 2019 consists of \$1,067,117 for categorical funding, \$2,296,859 for management levy purposes, \$953,612 for physical plant and equipment levy, \$476,737 for school infrastructure, \$1,542,648 for other special revenue purposes and \$4,213,238 for debt service.

Net position flow assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Budgets and Budgetary Accounting

Budgets and budgetary control:

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

Note 2. Budgets and Budgetary Accounting (Continued)

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

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

Note 3. Cash and Pooled Investments

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk: The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

At June 30, 2019 the District had investments in the Iowa School Joint Investment Trust (ISJIT) Government Obligation Portfolio which are valued at amortized costs of \$8,298,650 pursuant to Rule 2a-7 under the investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

Note 3. Cash and Pooled Investments (Continued)

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

The investment in the Iowa School Joint Investment was rated AAAM by Standard & Poor's Financial Services, respectively.

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2019, the District had no investments subject to concentration of credit risk.

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

The District's deposits in banks at June 30, 2019 were entirely covered by federal depository insurance or by State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure that there will be no loss of public funds. The District's investments are held in the name of the District and are not exposed to custodial credit risk.

Restricted cash, cash equivalents and investments is comprised of \$12,094,734 for debt reserve requirements.

Note 4. Interfund Transfers

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

Transfer To	Transfer From	Amount
Nonmajor fund, Student Activity Fund	General Fund	\$ 18,378
Debt Service Fund	Capital Projects Fund; Statewide Sales, Services and Use Tax Account	5,034,294
Debt Service Fund	Capital Projects Fund; Physical Plant & Equipment Levy Account	1,214,928
		<u>\$ 6,267,600</u>

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

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2019

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	\$ 6,455,845	\$ -	\$ -	\$ 6,455,845
Construction in progress	457,167	5,303,225	172,624	5,587,768
Total capital assets not being depreciated	6,913,012	5,303,225	172,624	12,043,613
Capital assets being depreciated:				
Buildings	166,144,264	296,522	-	166,440,786
Land improvements	22,423,877	2,800	-	22,426,677
Machinery and equipment	12,218,153	847,142	394,741	12,670,554
Total capital assets being depreciated	200,786,294	1,146,464	394,741	201,538,017
Less accumulated depreciation for:				
Buildings	42,191,561	3,682,809	-	45,874,370
Land improvements	7,845,390	1,108,318	-	8,953,708
Machinery and equipment	7,200,196	887,545	393,908	7,693,833
Total accumulated depreciation	57,237,147	5,678,672	393,908	62,521,911
Total capital assets being depreciated, net	143,549,147	(4,532,208)	833	139,016,106
Governmental activities capital assets, net	\$ 150,462,159	\$ 771,017	\$ 173,457	\$ 151,059,719
Business-type activities:				
Machinery and equipment	\$ 1,901,071	\$ 39,907	\$ 21,530	\$ 1,919,448
Less accumulated depreciation	1,234,917	131,431	21,530	1,344,818
Business-type activities capital assets, net	\$ 666,154	\$ (91,524)	\$ -	\$ 574,630

Linn-Mar Community School District

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

Note 5. Capital Assets (Continued)

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

Governmental activities:

Instruction:

Regular	\$	176,216
Special		2,324
Other		111,588

Support services:

Administration		13,949
Operation and maintenance of plant		160,874
Transportation		460,880
Unallocated depreciation		4,752,841

Total governmental activities depreciation expense	\$	<u>5,678,672</u>
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Business-type activities, food service operations	\$	<u>131,431</u>
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Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2019 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 25,000,000	\$ 10,000,000	\$ 2,580,000	\$ 32,420,000	\$ 2,690,000
Premiums on GO bonds	1,325,703	93,303	271,614	1,147,392	-
Discounts on GO bonds	(12,478)	-	(1,134)	(11,344)	-
Revenue bonds	38,150,000	-	2,705,000	35,445,000	2,780,000
Termination benefits	243,379	695,042	243,379	695,042	695,042
Compensated absences	43,057	33,045	43,057	33,045	33,045
Net pension liability	47,371,764	-	1,285,986	46,085,778	-
Net OPEB liability	2,659,329	360,465	-	3,019,794	-
Direct borrowings and direct placements:					
Revenue bonds, Series 2015	8,195,000	-	535,000	7,660,000	545,000
Revenue bonds, Series 2014E	3,145,000	-	260,000	2,885,000	260,000
Capital loan notes	7,945,000	-	1,060,000	6,885,000	1,085,000
Total	<u>\$ 134,065,754</u>	<u>\$ 11,181,855</u>	<u>\$ 8,982,902</u>	<u>\$ 136,264,707</u>	<u>\$ 8,088,087</u>
Business-type activities					
Net pension liability	\$ 1,310,751	\$ -	\$ 35,686	\$ 1,275,065	\$ -
Net OPEB liability	72,671	9,851	-	82,522	-
Total	<u>\$ 1,383,422</u>	<u>\$ 9,851</u>	<u>\$ 35,686</u>	<u>\$ 1,357,587</u>	<u>\$ -</u>

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

The Revenue Bonds Series 2015, Revenue Bonds Series 2014E, and Capital Loan Notes are collateralized by the high school project.

Linn-Mar Community School District

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

Note 6. Long-Term Liabilities (Continued)

General obligation bonds: As of June 30, 2019, the District had general obligation bonds outstanding of \$32,420,000 which had been issued for capital facility construction/building improvement purposes. The general obligation bonds will be paid with property taxes collected in the Debt Service Fund. Details of the District's June 30, 2019 general obligation bonded indebtedness are as follows:

Year Ending June 30	April 12, 2011			February 24, 2014		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2020	3.25	\$ -	\$ 343,662	1.65	\$ 800,000	\$ 28,590
2021	3.25	-	343,663	1.90	810,000	15,390
2022	3.25	-	343,663	-	-	-
2023	3.25	-	343,663	-	-	-
2024	3.25	2,535,000	343,663	-	-	-
2025	3.50	3,665,000	261,275	-	-	-
2026	3.50	3,800,000	133,000	-	-	-
Total		\$ 10,000,000	\$ 2,112,589		\$ 1,610,000	\$ 43,980

Year Ending June 30	March 8, 2017			December 20, 2018		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2020	5.00	\$ 1,890,000	\$ 540,500	3.50	\$ -	\$ 488,613
2021	5.00	1,990,000	446,000	3.50	-	358,250
2022	5.00	3,000,000	346,500	3.50	-	358,250
2023	5.00	3,160,000	196,500	3.50	-	358,250
2024	5.00	770,000	38,500	3.50	-	358,250
2025-2029		-	-	3.50	-	1,791,250
2030-2034		-	-	3.50	2,300,000	1,756,250
2035-2038		-	-	3.50	7,700,000	744,375
Total		\$ 10,810,000	\$ 1,568,000		\$ 10,000,000	\$ 6,213,488

Year Ending June 30	Total		
	Principal	Interest	Total
2020	\$ 2,690,000	\$ 1,401,365	\$ 4,091,365
2021	2,800,000	1,163,303	3,963,303
2022	3,000,000	1,048,413	4,048,413
2023	3,160,000	898,413	4,058,413
2024	3,305,000	740,413	4,045,413
2025-2029	7,465,000	2,185,525	9,650,525
2030-2034	2,300,000	1,756,250	4,056,250
2035-2038	7,700,000	744,375	8,444,375
Total	\$ 32,420,000	\$ 9,938,057	\$ 42,358,057

Linn-Mar Community School District

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

Note 6. Long-Term Liabilities (Continued)

Revenue bonds: As of June 30, 2019, the District had statewide sales, services and use tax bonds of \$45,990,000, which had been issued for capital facility construction/building improvement projects. These bonds will be paid with statewide sales, services and use tax revenues collected in the Capital Projects: Statewide Sales, Services and Use Tax Account. Details of the District's June 30, 2019 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30	March 1, 2010			October 1, 2012		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2020	4.00	\$ 1,270,000	\$ 541,030	1.50	\$ 745,000	\$ 195,365
2021	4.00	1,325,000	689,130	1.65	760,000	183,508
2022	4.00	1,380,000	635,030	1.75	775,000	170,456
2023	4.13	1,440,000	577,730	1.90	795,000	156,123
2024	4.25	1,510,000	515,943	2.00	815,000	140,420
2025	4.30	1,580,000	449,885	2.20	835,000	123,085
2026	4.40	1,655,000	379,505	2.30	855,000	104,068
2027	4.50	1,735,000	304,058	2.40	880,000	83,675
2028	4.60	1,820,000	223,160	2.50	910,000	61,740
2029	4.63	1,910,000	137,131	2.60	935,000	38,210
2030	4.63	2,010,000	46,481	2.70	965,000	13,028
Total		\$ 17,635,000	\$ 4,499,083		\$ 9,270,000	\$ 1,269,678

Year Ending June 30	June 4, 2013			Total		
	Interest Rate	Principal	Interest	Principal	Interest	Total
2020	1.50	\$ 765,000	\$ 197,570	\$ 2,780,000	\$ 933,965	\$ 3,713,965
2021	1.75	765,000	185,138	2,850,000	1,057,776	3,907,776
2022	2.00	790,000	170,545	2,945,000	976,031	3,921,031
2023	2.00	790,000	154,745	3,025,000	888,598	3,913,598
2024	2.25	790,000	137,958	3,115,000	794,321	3,909,321
2025	2.40	800,000	119,470	3,215,000	692,440	3,907,440
2026	2.60	820,000	99,210	3,330,000	582,783	3,912,783
2027	2.75	820,000	77,275	3,435,000	465,008	3,900,008
2028	3.00	800,000	54,000	3,530,000	338,900	3,868,900
2029	3.00	700,000	85,500	3,545,000	260,841	3,805,841
2030	3.00	700,000	10,500	3,675,000	70,009	3,745,009
Total		\$ 8,540,000	\$ 1,291,911	\$ 35,445,000	\$ 7,060,672	\$ 42,505,672

Year Ending June 30	Direct Borrowings and Direct Placements							
	October 21, 2014			July 1, 2015			Total	
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest
2020	1.70	\$ 260,000	\$ 76,468	2.61	\$ 545,000	\$ 192,814	\$ 805,000	\$ 269,282
2021	1.85	260,000	71,852	2.61	575,000	178,197	835,000	250,049
2022	2.15	260,000	66,653	2.61	585,000	163,060	845,000	229,713
2023	2.30	260,000	60,868	2.61	610,000	147,465	870,000	208,333
2024	2.45	260,000	54,693	2.61	635,000	131,218	895,000	185,911
2025	2.70	260,000	47,998	2.61	685,000	113,992	945,000	161,990
2026	2.90	260,000	40,718	2.61	710,000	95,787	970,000	136,505
2027	3.10	260,000	32,918	2.61	735,000	76,930	995,000	109,848
2028	3.40	260,000	24,468	2.61	785,000	57,094	1,045,000	81,562
2029	3.60	260,000	15,368	2.61	895,000	35,170	1,155,000	50,538
2030	3.75	285,000	5,344	2.61	900,000	11,745	1,185,000	17,089
Total		\$ 2,885,000	\$ 497,348		\$ 7,660,000	\$ 1,203,472	\$ 10,545,000	\$ 1,700,820

Linn-Mar Community School District

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

Note 6. Long-Term Liabilities (Continued)

The District has pledged future statewide sales, services and use tax revenues to repay the bonds issued in March of 2010, October of 2012, June of 2013, October of 2014, and July of 2015. The bonds were issued for the purpose of financing a portion of the costs of several ongoing projects or to refund prior year revenue bond issuances. The bonds are payable solely from the proceeds of the statewide sales, services, and use tax revenues received by the District and are payable through 2030. The bonds are not general obligations of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 78 percent of the statewide sales, services, and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$54,751,492. For the current year, \$3,500,000 of principal and \$1,492,138 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$7,618,440.

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

1. \$3,790,780 of the proceeds from the issuance of revenue bonds have been deposited in reserve accounts at Farmer's State Bank, Marion, Iowa to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available.
2. All proceeds from the statewide sales, services and use tax will be retained by the District in District bank accounts and be disbursed to the proper paying agents at the time principal and interest payments are due.

Capital loan notes: As of June 30, 2019, the District had capital loan notes outstanding of \$6,885,000, which was issued for capital facility construction/improvements during fiscal year 2016. The capital loan notes will be paid with property taxes collected in the Capital Projects Fund: Physical Plant, and Equipment Levy Account. Details of the District's June 30, 2019 capital loan noted indebtedness is as follows:

Year Ending June 30	Direct Borrowings and Direct Placements				
	Capital Loan Note				
	January 7, 2016				
	Interest Rate	Principal	Interest	Total	
2020	1.95	\$ 1,085,000	\$ 134,258	\$ 1,219,258	
2021	1.95	1,110,000	113,100	1,223,100	
2022	1.95	1,135,000	91,455	1,226,455	
2023	1.95	1,160,000	69,273	1,229,273	
2024	1.95	1,185,000	46,703	1,231,703	
2025	1.95	1,210,000	23,595	1,233,595	
Total		\$ 6,885,000	\$ 478,384	\$ 7,363,384	

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

Note 6. Long-Term Liabilities (Continued)

The District issued \$10,000,000 General Obligation School Bonds, Series 2018 on December 20, 2018. On July 23, 2019, the District issued \$53,580,000 General Obligation School Bonds, Series 2019. The Series 2019 requires semi-annual interest payments on November 1 and May 1 and annual principal payments on May 1 beginning May 1, 2024 through 2039. The Series 2019 bonds have interest rates from 3.0 percent to 5.0 percent.

The bond proceeds, up to \$55,000,000, will be used to construct two new intermediate school buildings. \$8,580,000 of the Series 2019 bonds were used to currently refund the Series 2011A General Obligation Bonds in July 2019.

Legal debt margin: The June 30, 2019 debt outstanding by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	\$ 3,537,698,090
Debt limit, 5% of total assessed valuation	176,884,905
Amount of debt applicable to debt limit, total bonded debt	86,431,048
Excess of debt limit over bonded debt	\$ 90,453,857

Termination benefits:

The District offered a voluntary early retirement plan to its certified employees and administrators during the year ended June 30, 2019. Eligible employees had to be at least age fifty-five and employees must have completed ten years of service to the District. Employees completed an application which was required to be approved by the Board of Education.

The early retirement incentive for each eligible employee was equal to the employee's base salary calculated by using the fiscal year 2019 regular salary schedule, less any other additional pay, multiplied by 50 percent plus all unused personal days compensated for at the rate of substitute pay (\$120/day) used during the last year of service. Employees could also elect to continue participation in the District's group health insurance plan until age 65 or until insurance is acquired elsewhere. Their participation was at the employee's expense. At June 30, 2019, the District had obligations to nineteen participants with a total liability of \$695,042. The liability will be paid from the nonmajor special revenue fund, Management Levy Fund. The District paid \$243,379 in early retirement benefits to retirees during fiscal year 2019.

Note 7. Pension Plan

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

Note 7. Pension Plan (Continued)

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

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

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

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

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

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

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

The District's contributions to IPERS for the year ended June 30, 2019 were \$5,512,154.

Linn-Mar Community School District

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

Note 7. Pension Plan (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the District reported a liability of \$47,360,843 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2018, the District's proportion was 0.748404 percent, which was an increase of .017574 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$7,119,913. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 259,672	\$ 1,070,432
Changes of assumptions	6,756,317	-
Net difference between projected and actual earnings on pension plan investments	-	1,301,532
Changes in proportion and differences between District contributions and proportionate share of contributions	1,533,841	8,274
District contributions subsequent to the measurement date	5,512,154	-
Total	\$ 14,061,984	\$ 2,380,238

\$5,512,154 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2020	\$ 3,971,695
2021	2,138,987
2022	(97,798)
2023	149,368
2024	7,340
Thereafter	-
Total	\$ 6,169,592

There were no non-employer contributing entities to IPERS.

Linn-Mar Community School District

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

Note 7. Pension Plan (Continued)

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience study dated March 24, 2017 and a demographic study dated June 28, 2018. Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	6.01%
International equity	15.0%	6.48%
Global smart beta equity	3.0%	6.23%
Core plus fixed income	27.0%	1.97%
Public credit	3.5%	3.93%
Public real assets	7.0%	2.91%
Cash	1.0%	-0.25%
Private equity	11.0%	10.81%
Private real assets	7.5%	4.14%
Private credit	3.0%	3.11%
Total	100%	

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

Linn-Mar Community School District

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

Note 7. Pension Plan (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 80,380,867	\$ 47,360,843	\$ 19,661,950

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

Payables to the Pension Plan – At June 30, 2019, the District reported payables to IPERS of \$0 for legally required employer contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 8. Other Postemployment Benefits (OPEB)

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

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

The full monthly premium rates as of January 1, 2018 for each plan are as shown below:

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

Linn-Mar Community School District

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

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

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

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

Total OPEB Liability

The District's total OPEB liability of \$3,102,316 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial assumptions and other inputs: 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	2.50% per annum
Salary increases	3.50% per annum
Discount rate	3.50% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.50%
	The trend rate is reduced by 0.50% each year until reaching the ultimate trend rate of 4.50%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period 2010– 2018.

Linn-Mar Community School District

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

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

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2019	\$ 2,732,000	\$ -	\$ 2,732,000
Changes for the year:			
Service cost	278,769	-	278,769
Interest	114,169	-	114,169
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	98,643	-	98,643
Benefit payments	(121,265)	-	(121,265)
Net changes	370,316	-	370,316
Balance at June 30, 2019	<u>\$ 3,102,316</u>	<u>\$ -</u>	<u>\$ 3,102,316</u>

There were no changes as a result of changes in benefit terms or differences between expected and actual experience. Changes of assumptions or other inputs reflect a change in the discount rate from 3.87% per annum in 2018 to 3.50% per annum in 2019.

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

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 3,623,316	\$ 3,102,316	\$ 2,685,316

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

	Healthcare Cost Trend Rates		
	1% Decrease (5.50% decreasing to 3.5%)	Trend Rates (6.50% decreasing to 4.5%)	1% Increase (7.50% decreasing to 5.5%)
Total OPEB liability	\$ 2,673,316	\$ 3,102,316	\$ 3,630,316

Linn-Mar Community School District

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

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$395,417. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	89,968	58,059
Net difference between projected and actual investments	-	-
Total	\$ 89,968	\$ 58,059

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

Year ended June 30:	
2020	\$ 2,479
2021	2,479
2022	2,479
2023	2,479
2024	2,479
Thereafter	19,514
Total	\$ 31,909

Note 9. Risk Management

The District is a member of a joint venture with five other local government units. The joint venture, the Metro Interagency Insurance Program (MIIP), was incorporated in 1990 under a joint powers agreement in accordance with Chapter 28E of the Code of Iowa. The program provides services necessary and appropriate for the establishment, operation and maintenance of an insurance program for employee health and medical claims. MIIP is not intended to function as an insurance company for the participants; rather it is a means of combining the administration of claim and obtaining lower insurance rates from commercial insurance. Although premiums billed to the participants are determined on an actuarial basis, ultimate liability for claims remains with the respective participant and accordingly, the insurance risks are not transferred to MIIP. In the event that the member withdraws from MIIP, the withdrawn members continues to be responsible for its share of cost arising from events occurring when it was a participating member. If the withdrawn member at any time has a negative equity balance, the withdrawn member is immediately liable and obligated to MIIP for that amount.

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

At June 30, 2019, the District is an active member of MIIP and has a positive equity balance of \$7,256,989. The total premium paid into the plan by all six members from July 1, 2018 to June 30, 2019 was approximately \$40,000,000 of which \$6,967,600 was paid by Linn-Mar Community School District.

MIIP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Metro Interagency Insurance Program, 1120 33rd Avenue, SW, Cedar Rapids, Iowa, 52404.

Linn-Mar Community School District

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

Note 9. Risk Management (Continued)

In addition, the District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$3,339,090 for the year ended June 30, 2019 and is recorded in the General Fund.

Note 11. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2019 is comprised of the following programs:

Program	Amount
Gifted and talented	\$ 85,157
Teacher leadership	260,107
Teacher salary supplement	115,330
Successful progression for early readers	111,832
Professional development	493,586
Market factor incentives	1,105
Total	\$ 1,067,117

Note 12. Construction Commitments

The District has entered into contracts totaling \$62,995,886 for various construction projects throughout the District, including construction of two new junior high schools. As of June 30, 2019, costs of \$5,587,768 had been incurred against these contracts. The remaining balance of \$57,408,118 at June 30, 2019 will be paid as work on the projects progresses.

Linn-Mar Community School District

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

Note 13. Due from Other Governments

Amount due from other governments by fund as of June 30, 2019 are as follows:

	General Fund	Capital Projects Fund	Total
Local appropriations:			
Tuition	\$ 2,643,735	\$ -	\$ 2,643,735
Other	39,854	-	39,854
Total local appropriations	2,683,589	-	2,683,589
State appropriations			
Statewide Sales, Services and Use Tax	-	983,129	983,129
Nonpublic Transportation	107,951	-	107,951
District Court	69,458	-	69,458
Total state appropriations	177,409	983,129	1,160,538
Federal appropriations			
Title I	254,634	-	254,634
Medicaid	23,778	-	23,778
Special Education- Grants to States, IDEA Part B	30,291	-	30,291
Student Support and Academic Enrichment	27,289	-	27,289
Improving Teacher Quality State Grant	63,772	-	63,772
Career and Technical Education- Basic Grants to States	50,173	-	50,173
Special Education- State Personnel Development Grant	12,756	-	12,756
Total federal appropriations	462,693	-	462,693
Total	\$ 3,323,691	\$ 983,129	\$ 4,306,820

Note 14. Lease Agreements

On June 9, 2014 the District entered into an agreement with De Lange Public Finance LLC to lease forty-three copy machines for sixty months. During the year ended June 30, 2019 the District paid \$54,300 from the Capital Projects Fund: Physical Plant and Equipment Levy Account. As of June 30, 2019, the lease is paid in full.

On July 8, 2019 the District entered into a new agreement with De Lange Public Finance LLC to lease 33 copy machines for monthly payments of \$4,665 over sixty months for payments of \$279,900 of which \$255,183 is principal and \$24,717 is interest.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

Note 15. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2019 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Marion	Urban renewal and economic development projects	\$ 727,047
City of Robins	Urban renewal and economic development projects	385
City of Cedar Rapids	Urban renewal and economic development projects	79,487

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 \$314,982.

Note 16. Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2019:

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2019

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

The implementation of the above statements did not have a material impact to the District's financial statements.

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

GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the District beginning with its fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the identification criteria established by the Statement is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported as a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

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

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

GASB Statement No. 90, *Majority Equity Interest-An Amendment of GASB Statement No. 14 and No. 61*, issued August 2018, will be effective for the District beginning with its fiscal year ending June 30, 2020. The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies the reporting of a majority equity interest. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired the 100 percent equity interest in the component unit.

Linn-Mar Community School District

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

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

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the District beginning with its fiscal year ending June 30, 2022. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements association with conduit debt obligations; and improving required note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

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



REQUIRED SUPPLEMENTARY INFORMATION



Linn-Mar Community School District

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental Funds and Enterprise Fund
Required Supplementary Information
Year Ended June 30, 2019**

	Governmental Funds - Actual	Enterprise Fund - Actual	Total Actual
Revenues:			
Local sources	\$ 45,479,329	\$ 2,682,254	\$ 48,161,583
State sources	56,636,275	25,588	56,661,863
Federal sources	2,944,639	1,351,290	4,295,929
Total revenues	105,060,243	4,059,132	109,119,375
Expenditures/expenses:			
Instruction	61,785,512	-	61,785,512
Support services	27,617,346	-	27,617,346
Non-instructional programs	92,559	3,933,121	4,025,680
Other expenditures	19,138,121	-	19,138,121
Total expenditures	108,633,538	3,933,121	112,566,659
Excess (deficiency) of revenues over (under) expenditures	(3,573,295)	126,011	(3,447,284)
Total other financing sources, net	10,149,123	-	10,149,123
Excess (deficiency) of revenues and other financing sources over (under) expenditures	6,575,828	126,011	6,701,839
Balance, beginning of year	24,473,719	1,107,394	25,581,113
Balance, end of year	\$ 31,049,547	\$ 1,233,405	\$ 32,282,952

See Notes to Required Supplementary Information.

Budgeted Amounts		Final to Actual
Original	Final	Variance
\$ 47,728,169	\$ 47,728,169	\$ 433,414
55,494,857	55,494,857	1,167,006
4,990,430	4,990,430	(694,501)
108,213,456	108,213,456	905,919
59,800,000	62,050,000	264,488
28,955,000	28,955,000	1,337,654
4,380,000	4,380,000	354,320
20,166,613	20,166,613	1,028,492
113,301,613	115,551,613	2,984,954
(5,088,157)	(7,338,157)	3,890,873
50,000	25,000	10,124,123
\$ (5,038,157)	\$ (7,313,157)	\$ 14,014,996

Linn-Mar Community School District

**Required Supplementary Information
Schedule of Changes in the District's Total OPEB
Liability and Related Ratios
Last Two Fiscal Years**

	2019	2018
Total OPEB liability		
Changes for the year:		
Service cost	\$ 278,769	\$ 268,383
Interest	114,169	106,386
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	98,643	(70,450)
Benefit payments	(121,265)	(103,611)
Net changes in total OPEB liability	370,316	200,708
Total OPEB liability - beginning	2,732,000	2,531,292
Total OPEB liability - ending	<u>\$ 3,102,316</u>	<u>\$ 2,732,000</u>
Covered employee payroll	\$ 46,570,000	\$ 44,995,142
Total OPEB liability as a percentage of covered employee payroll	7%	6%

Notes to Schedule:

Changes of benefit terms:

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

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate

The following are the discount rates used in each period: 3.50% 3.87%

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

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

See Notes to Required Supplementary Information.

Linn-Mar Community School District

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

	2019*	2018*	2017*	2016*	2015*
District's proportion of the net pension liability	0.748404%	0.730830%	0.728902%	0.717733%	0.689442%
District's proportionate share of the net pension liability	\$ 47,360,843	\$ 48,682,515	\$ 45,872,128	\$ 35,459,499	\$ 27,342,634
District's covered payroll	56,337,809	54,605,986	52,340,257	49,198,902	45,121,232
District's proportionate share of the net pension liability as a percentage of its covered payroll	84.07%	89.15%	87.64%	72.07%	60.61%
Plan fiduciary net pension as a percentage of the total pension liability	83.62%	82.21%	81.82%	85.19%	87.61%

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

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

See Notes to Required Supplementary Information

Linn-Mar Community School District

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

	2019	2018	2017	2016
Statutorily required contribution	\$ 5,512,154	\$ 5,030,968	\$ 4,876,316	\$ 4,673,985
Contributions in relation to the statutorily required contribution	(5,512,154)	(5,030,968)	(4,876,316)	(4,673,985)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 58,391,459	\$ 56,337,809	\$ 54,605,986	\$ 52,340,257
Contributions as a percentage of covered payroll	9.44%	8.93%	8.93%	8.93%

See Notes to Required Supplementary Information.

2015	2014	2013	2012	2011	2010
\$ 4,393,462	\$ 4,029,326	\$ 3,806,084	\$ 3,411,978	\$ 2,800,796	\$ 2,632,144
(4,393,462)	(4,029,326)	(3,806,084)	(3,411,978)	(2,800,796)	(2,632,144)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 49,198,902	\$ 45,121,232	\$ 43,899,469	\$ 42,279,777	\$ 40,299,223	\$ 37,872,576
8.93%	8.93%	8.67%	8.07%	6.95%	6.95%



Linn-Mar Community School District

Notes to Required Supplementary Information Year Ended June 30, 2019

Note 1. Budgets and Budgetary Information

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, noninstructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. The District adopted one budget amendment increasing budget expenditures by \$2,250,000.

Note 2. Pension Liability

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

Changes of assumptions:

The 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%.

Linn-Mar Community School District

**Notes to Required Supplementary Information
Year Ended June 30, 2019**

Note 2. Pension Liability (Continued)

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

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

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

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

SUPPLEMENTARY INFORMATION





NONMAJOR GOVERNMENTAL FUNDS AND CAPITAL PROJECT FUNDS
BY ACCOUNT



Linn-Mar Community School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2019

	Special Revenue			
	Management Levy	Student Activity	Public Education and Recreation Levy	Total
Assets				
Cash and pooled investments	\$ 2,294,555	\$ 905,693	\$ 694,551	\$ 3,894,799
Receivables:				
Property tax:				
Delinquent	3,728	-	998	4,726
Succeeding year	794,994	-	294,806	1,089,800
Total assets	\$ 3,093,277	\$ 905,693	\$ 990,355	\$ 4,989,325
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Accounts payable	\$ 1,424	\$ 49,965	\$ 1,619	\$ 53,008
Salaries and benefits payable	-	5,000	2,010	7,010
Total liabilities	1,424	54,965	3,629	60,018
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	794,994	-	294,806	1,089,800
Fund balances restricted for:				
Management levy purposes	2,296,859	-	-	2,296,859
Student activities	-	850,728	-	850,728
Public education and recreation levy purposes	-	-	691,920	691,920
Total fund balances	2,296,859	850,728	691,920	3,839,507
Total liabilities, deferred inflows of resources and fund balances	\$ 3,093,277	\$ 905,693	\$ 990,355	\$ 4,989,325

Linn-Mar Community School District

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

	Special Revenue			Total
	Management Levy	Student Activity	Public Education and Recreation Levy	
Revenues:				
Local sources:				
Local tax	\$ 1,052,749	\$ -	\$ 281,552	\$ 1,334,301
Other	75,495	1,729,685	5,141	1,810,321
State sources	30,366	-	8,120	38,486
Total revenues	1,158,610	1,729,685	294,813	3,183,108
Expenditures:				
Current:				
Instruction:				
Regular	372,461	1,682,138	-	2,054,599
Support services:				
Student	7,226	-	-	7,226
Instructional staff	6,557	-	-	6,557
Administration services	15,916	-	-	15,916
Operation and maintenance of plant services	384,142	-	76,802	460,944
Transportation services	131,407	-	-	131,407
Non-instructional programs:				
Food service operations	54,726	-	-	54,726
Community service operations	-	-	37,833	37,833
Capital outlay	-	-	30,828	30,828
Total expenditures	972,435	1,682,138	145,463	2,800,036
Excess of revenues over expenditures	186,175	47,547	149,350	383,072
Other financing sources, transfers in	-	18,378	-	18,378
Net change in fund balances	186,175	65,925	149,350	401,450
Fund balances, beginning of year	2,110,684	784,803	542,570	3,438,057
Fund balances, end of year	\$ 2,296,859	\$ 850,728	\$ 691,920	\$ 3,839,507

Linn-Mar Community School District

Schedule of Combining Balance Sheet
 Capital Projects Fund - By Account
 June 30, 2019

	Capital Projects Fund Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects Fund	Total
Assets				
Cash and pooled investments	\$ 1,500,397	\$ 1,432,573	\$ -	\$ 2,932,970
Restricted cash and investments	3,796,084	-	8,298,650	12,094,734
Receivables:				
Property tax:				
Delinquent	-	12,750	-	12,750
Succeeding year	-	3,806,873	-	3,806,873
Accrued interest	93,091	-	-	93,091
Due from other governments	983,129	-	-	983,129
Total assets	\$ 6,372,701	\$ 5,252,196	\$ 8,298,650	\$ 19,923,547
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities, accounts payable	\$ 487,998	\$ 491,711	\$ 1,617,186	\$ 2,596,895
Deferred inflows of resources, unavailable revenue:				
Statewide sales and services tax	377,809	-	-	377,809
Succeeding year property tax	-	3,806,873	-	3,806,873
Total deferred inflows of resources	377,809	3,806,873	-	4,184,682
Fund Balances:				
Restricted for:				
School infrastructure	5,506,894	-	6,681,464	12,188,358
Physical plant and equipment	-	953,612	-	953,612
Total fund balances	5,506,894	953,612	6,681,464	13,141,970
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,372,701	\$ 5,252,196	\$ 8,298,650	\$ 19,923,547

Linn-Mar Community School District

Schedule of Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Fund - By Account
 Year Ended June 30, 2019

	Capital Projects Fund Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects Fund	
Revenues:				
Local sources:				
Local tax	\$ -	\$ 3,655,765	\$ 114,524	\$ 3,770,289
Other	86,624	28,547	-	115,171
State sources	7,618,440	100,445	-	7,718,885
Total revenues	7,705,064	3,784,757	114,524	11,604,345
Expenditures:				
Current:				
Instruction, regular	2,302,501	125,713	-	2,428,214
Support services:				
Instructional staff	263	-	-	263
Administration	4,643	134,815	-	139,458
Operation and maintenance of plant services	-	261,072	-	261,072
Student transportation	-	493,876	-	493,876
Capital outlay	715,942	1,726,310	3,426,363	5,868,615
Debt service, bond insurance costs	-	-	100,000	100,000
Total expenditures	3,023,349	2,741,786	3,526,363	9,291,498
Excess of revenues over (under) expenditures	4,681,715	1,042,971	(3,411,839)	2,312,847
Other financing sources (uses):				
Issuance of long term debt	-	-	10,000,000	10,000,000
Premium on long term debt	-	-	93,303	93,303
Transfers out	(5,034,294)	(1,214,928)	-	(6,249,222)
	(5,034,294)	(1,214,928)	10,093,303	3,844,081
Net change in fund balance	(352,579)	(171,957)	6,681,464	6,156,928
Fund balance, beginning of year	5,859,473	1,125,569	-	6,985,042
Fund balance, end of year	\$ 5,506,894	\$ 953,612	\$ 6,681,464	\$ 13,141,970



NONMAJOR ENTERPRISE FUNDS



Linn-Mar Community School District

Combining Statement of Net Position Nonmajor Enterprise Funds June 30, 2019

	School Nutrition	Aquatic Center	ROAR Store	Total
Assets				
Current:				
Cash and cash equivalents	\$ 1,551,058	\$ 242,984	\$ 15,446	\$ 1,809,488
Accounts receivable	9,011	-	-	9,011
Inventories	36,900	-	-	36,900
Total current assets	1,596,969	242,984	15,446	1,855,399
Noncurrent:				
Capital assets, net of accumulated depreciation	574,630	-	-	574,630
Total noncurrent assets	574,630	-	-	574,630
Total assets	2,171,599	242,984	15,446	2,430,029
Deferred Outflows of Resources:				
OPEB related deferred outflows	2,222	171	-	2,393
Pension related deferred outflows	371,924	23,307	-	395,231
	374,146	23,478	-	397,624
Liabilities				
Current:				
Accounts payable	18,309	31,562	-	49,871
Salaries and benefits payable	11,666	10,060	-	21,726
Unearned revenue	83,645	-	-	83,645
Total current liabilities	113,620	41,622	-	155,242
Noncurrent:				
Net pension liability	1,243,746	31,319	-	1,275,065
Net OPEB liability	76,627	5,895	-	82,522
Total noncurrent liabilities	1,320,373	37,214	-	1,357,587
Total liabilities	1,433,993	78,836	-	1,512,829
Deferred Inflows of Resources:				
OPEB related deferred inflows	1,434	110	-	1,544
Pension related deferred inflows	77,941	1,934	-	79,875
Total deferred inflows	79,375	2,044	-	81,419
Net Position				
Net investment in capital assets	574,630	-	-	574,630
Unrestricted	457,747	185,582	15,446	658,775
Total net position	\$ 1,032,377	\$ 185,582	\$ 15,446	\$ 1,233,405

Linn-Mar Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended June 30, 2019

	School Nutrition	Aquatic Center	ROAR Store	Total
Operating revenues:				
Local sources, charges for services	\$ 2,266,321	\$ 351,434	\$ 46,990	\$ 2,664,745
Miscellaneous	308	-	-	308
Total operating revenues	2,266,629	351,434	46,990	2,665,053
Operating expenses:				
Non-instructional programs:				
Food service:				
Salaries	1,514,703	-	-	1,514,703
Benefits	314,531	-	-	314,531
Services	1,071	-	-	1,071
Supplies	1,617,201	-	-	1,617,201
Depreciation	131,431	-	-	131,431
Other	761	-	-	761
Total food service	3,579,698	-	-	3,579,698
Other enterprise	-	-	37,071	37,071
Community service:				
Salaries	-	215,493	-	215,493
Benefits	-	33,265	-	33,265
Services	-	6,894	-	6,894
Supplies	-	60,700	-	60,700
Total community service	-	316,352	-	316,352
Total operating expenses	3,579,698	316,352	37,071	3,933,121
Operating income (loss)	(1,313,069)	35,082	9,919	(1,268,068)
Nonoperating revenues:				
State sources	25,588	-	-	25,588
Federal sources	1,351,290	-	-	1,351,290
Interest on investments	17,201	-	-	17,201
Total nonoperating revenues	1,394,079	-	-	1,394,079
Change in net position	81,010	35,082	9,919	126,011
Net position, beginning of year	951,367	150,500	5,527	1,107,394
Net position, end of year	\$ 1,032,377	\$ 185,582	\$ 15,446	\$ 1,233,405



Linn-Mar Community School District

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

	School Nutrition	Aquatic Center	ROAR Store	Total
Cash flows from operating activities:				
Cash received from food service sales	\$ 2,250,423	\$ -	\$ -	\$ 2,250,423
Cash received from aquatic center operations	-	351,434	-	351,434
Cash received from ROAR store operations	-	-	46,990	46,990
Cash received from miscellaneous operating activities	308	-	-	308
Cash payments to employees for services	(1,768,248)	(280,701)	-	(2,048,949)
Cash payments to suppliers for goods or services	(1,345,088)	(36,032)	(37,375)	(1,418,495)
Net cash provided by (used in) operating activities	(862,605)	34,701	9,615	(818,289)
Cash flows from noncapital financing activities:				
State grants received	25,588	-	-	25,588
Federal grants received	1,097,762	-	-	1,097,762
Net cash provided by noncapital financing activities	1,123,350	-	-	1,123,350
Cash flows from capital financing activities, acquisition of capital assets	(39,907)	-	-	(39,907)
Cash flows from investing activities, interest on investments	17,201	-	-	17,201
Net increase in cash and cash equivalents	238,039	34,701	9,615	282,355
Cash and cash equivalents, beginning of year	1,313,019	208,283	5,831	1,527,133
Cash and cash equivalents, end of year	\$ 1,551,058	\$ 242,984	\$ 15,446	\$ 1,809,488

(Continued)

Linn-Mar Community School District

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2019

Reconciliation of operating income

(loss) to net cash provided

by (used in) operating activities:

Operating income (loss)	\$ (1,313,069)	\$ 35,082	\$ 9,919	\$ (1,268,068)
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Adjustments to reconcile operating
income (loss) to net cash provided

by (used in) operating activities:

Commodities consumed	253,528	-	-	253,528
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Depreciation	131,431	-	-	131,431
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Decrease in inventories	2,762	-	-	2,762
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(Increase) in accounts receivable	(8,901)	-	-	(8,901)
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Increase (decrease) in accounts payable	17,655	31,562	(304)	48,913
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Increase (decrease) in salaries and benefits payable	1,751	(35,253)	-	(33,502)
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Increase in OPEB liability and related deferrals	6,772	521	-	7,293
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Increase in net pension liability and related deferrals	52,463	2,789	-	55,252
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Decrease in unearned revenue	(6,997)	-	-	(6,997)
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Net cash provided by

(used in) operating activities	\$ (862,605)	\$ 34,701	\$ 9,615	\$ (818,289)
---------------------------------------	---------------------	------------------	-----------------	---------------------

Noncash: Noncapital financing activities:

During the year ended June 30, 2019, the District used \$253,528 of federal commodities.



Statistical Section

(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	69-84
<p style="padding-left: 20px;">These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	
Revenue Capacity	85-91
<p style="padding-left: 20px;">These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	
Debt Capacity	92-97
<p style="padding-left: 20px;">These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt.</p>	
Demographic and Economic Information	98-103
<p style="padding-left: 20px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	
Operating Information	104-110
<p style="padding-left: 20px;">These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	

Linn-Mar Community School District

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	\$ 12,919,519	\$ 26,461,367	\$ 33,860,908	\$ 28,177,257
Restricted	25,300,975	16,905,099	15,744,577	29,254,906
Unrestricted	4,314,105	7,511,620	8,318,403	7,658,223
Total governmental activities net position	\$ 42,534,599	\$ 50,878,086	\$ 57,923,888	\$ 65,090,386
Business-type activities				
Net investment in capital assets	\$ 573,824	\$ 713,408	\$ 725,388	\$ 707,568
Unrestricted	231,642	439,480	721,026	934,357
Total business-type activities net position	\$ 805,466	\$ 1,152,888	\$ 1,446,414	\$ 1,641,925

Source: School District Financial Records

2014	2015	2016	2017	2018	2019
\$ 41,210,373	\$ 48,003,951	\$ 48,606,036	\$ 62,549,123	\$ 70,504,714	\$ 76,718,101
21,066,774	21,066,774	22,710,019	14,982,592	12,005,864	10,550,211
7,271,405	(23,819,849)	(22,456,176)	(25,221,400)	(28,085,387)	(30,704,589)
\$ 69,548,552	\$ 45,250,876	\$ 48,859,879	\$ 52,310,315	\$ 54,425,191	\$ 56,563,723
\$ 609,640	\$ 603,369	\$ 541,797	\$ 742,173	\$ 666,154	\$ 574,630
1,164,312	562,343	715,536	421,375	441,240	658,775
\$ 1,773,952	\$ 1,165,712	\$ 1,257,333	\$ 1,163,548	\$ 1,107,394	\$ 1,233,405

Linn-Mar Community School District

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

	2010	2011	2012	2013
Expenses:				
Governmental activities:				
Instruction	\$ 41,419,726	\$ 41,589,076	\$ 42,879,705	\$ 45,065,586
Support services:				
Student	2,236,875	3,095,443	3,226,515	3,456,656
Instructional staff	2,386,183	2,449,712	3,054,671	2,888,367
Administration	5,444,176	5,671,887	6,041,272	6,369,253
Operation and maintenance of plant	5,496,221	5,128,200	6,369,265	5,152,985
Transportation	2,363,942	2,331,937	2,444,605	2,000,716
Non-instructional programs	97,096	112,581	187,193	110,098
Capital outlay	1,317,844	1,120,778	-	-
Long-term debt interest and fiscal charges	3,837,554	3,621,298	3,216,868	3,212,643
Other expenses:				
AEA flowthrough	2,582,490	2,703,997	2,543,681	2,620,028
Depreciation (unallocated)	2,228,121	2,819,601	3,388,470	2,171,171
Total governmental activities	69,410,228	70,644,510	73,352,245	73,047,503
Business-type activities:				
School nutrition	2,714,977	2,746,151	2,738,897	2,900,675
Aquatic center	-	-	-	-
ROAR store	-	-	-	-
Total business-type activities	2,714,977	2,746,151	2,738,897	2,900,675
Total primary government expenses	72,125,205	73,390,661	76,091,142	75,948,178
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	4,191,449	4,301,403	4,218,399	4,514,187
Support services	1,210,650	1,424,420	13,688	12,607
Capital outlay	24,664	64,537	-	-
Operating grants and contributions	8,149,292	9,100,509	5,119,276	9,439,571
Capital grants and contributions	37,419	-	47,975	49,058
Total governmental activities	13,613,474	14,890,869	9,399,338	14,015,423
Business-type activities:				
Charges for services:				
School nutrition	1,997,621	2,003,376	2,024,234	2,029,545
Aquatic center	-	-	-	-
ROAR store	-	-	-	-
Operating grants and contributions	809,883	860,457	912,443	1,007,836
Capital grants and contributions	2,572	228,761	94,085	-
Total business-type activities	2,810,076	3,092,594	3,030,762	3,037,381
Total primary government revenues	16,423,550	17,983,463	12,430,100	17,052,804
Net (expense) revenues:				
Governmental activities	(55,796,754)	(55,753,641)	(63,952,907)	(59,032,080)
Business-type activities	95,099	346,443	291,865	136,706
Total primary government revenues	\$ (55,701,655)	\$ (55,407,198)	\$ (63,661,042)	\$ (58,895,374)

Source: School District Financial Records

	2014	2015	2016	2017	2018	2019
\$	48,037,307	\$ 48,140,423	\$ 51,168,392	\$ 56,707,418	\$ 58,931,656	\$ 61,473,758
	3,542,985	3,663,955	3,677,997	4,355,525	4,484,173	4,299,379
	3,105,544	5,455,726	6,368,459	5,775,910	6,346,603	6,282,247
	5,655,085	5,673,933	6,874,302	6,582,752	7,468,634	7,553,924
	6,407,078	6,564,417	6,402,268	6,663,099	7,109,445	9,049,914
	2,615,258	2,754,810	2,749,936	2,813,289	3,093,011	3,559,751
	121,088	130,525	128,979	123,241	98,548	93,551
	-	-	-	-	-	-
	3,131,174	2,802,823	3,031,161	3,153,088	2,513,240	2,599,276
	2,777,361	2,923,429	3,055,116	3,107,129	3,239,555	3,339,090
	3,807,359	4,010,529	4,133,605	4,204,016	4,570,877	4,752,841
	79,200,239	82,120,570	87,590,215	93,485,467	97,855,742	103,003,731
	3,084,733	3,113,499	3,357,540	3,664,633	3,626,056	3,579,698
	46,519	161,128	239,212	258,173	288,691	316,352
	-	7,353	12,426	31,857	39,299	37,071
	3,131,252	3,281,980	3,609,178	3,954,663	3,954,046	3,933,121
	82,331,491	85,402,550	91,199,393	97,440,130	101,809,788	106,936,852
	4,735,812	5,516,329	6,407,571	6,745,753	7,818,599	8,173,922
	18,181	93,335	12,868	24,166	27,459	1,862,441
	-	-	-	-	-	-
	10,866,887	5,991,216	6,047,560	6,581,814	14,462,348	13,126,850
	-	10,000	18,989	25,500	36,900	-
	15,620,880	11,610,880	12,486,988	13,377,233	22,345,306	23,163,213
	2,030,952	2,165,481	2,185,826	2,244,925	2,301,977	2,266,321
	53,211	239,569	273,967	293,629	295,531	351,434
	-	9,555	12,335	31,494	43,078	46,990
	1,177,210	1,170,943	1,226,303	1,287,140	1,271,317	1,376,878
	-	-	-	-	-	-
	3,261,373	3,585,548	3,698,431	3,857,188	3,911,903	4,041,623
	18,882,253	15,196,428	16,185,419	17,234,421	26,257,209	27,204,836
	(63,579,359)	(70,509,690)	(75,103,227)	(80,108,234)	(75,510,436)	(79,840,518)
	130,121	303,568	89,253	(97,475)	(42,143)	108,502
\$	(63,449,238)	\$ (70,206,122)	\$ (75,013,974)	\$ (80,205,709)	\$ (75,552,579)	\$ (79,732,016)

Linn-Mar Community School District

General Revenues and Total Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013
Net (expense) revenues:				
Governmental activities	\$ (55,796,754)	\$ (55,753,641)	\$ (63,952,907)	\$ (59,032,080)
Business-type activities	95,099	346,443	291,865	136,706
Total primary government net expense	(55,701,655)	(55,407,198)	(63,661,042)	(58,895,374)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes levied for:				
General purposes	22,702,893	24,868,320	23,341,607	23,421,086
Capital outlay	2,979,169	1,781,832	2,976,713	3,133,993
Debt service	3,899,645	3,684,005	3,807,344	3,766,765
Revenues in lieu of taxes	-	-	-	-
Sales tax	6,709,286	6,121,089	6,441,915	5,600,634
Unrestricted grants and contributions	23,992,475	26,871,830	32,295,010	28,870,083
Nonspecific program federal revenues	-	-	939,496	187,358
Investment earnings	214,798	124,865	124,796	134,959
Miscellaneous	306,483	645,187	1,071,828	1,083,700
Total governmental activities	60,804,749	64,097,128	70,998,709	66,198,578
Business-type activities:				
Investment earnings	846	979	1,529	1,839
Miscellaneous	-	-	132	56,966
Total business-type activities	846	979	1,661	58,805
Total primary government	60,805,595	64,098,107	71,000,370	66,257,383
Change in net position:				
Governmental activities	5,007,995	8,343,487	7,045,802	7,166,498
Business-type activities	95,945	347,422	293,526	195,511
Total primary government	\$ 5,103,940	\$ 8,690,909	\$ 7,339,328	\$ 7,362,009

Source: School District Financial Records

2014	2015	2016	2017	2018	2019
\$ (63,579,359)	\$ (70,509,690)	\$ (75,103,227)	\$ (80,108,234)	\$ (75,510,436)	\$ (79,840,518)
130,121	303,568	89,253	(97,475)	(42,143)	108,502
(63,449,238)	(70,206,122)	(75,013,974)	(80,205,709)	(75,552,579)	(79,732,016)
23,907,617	23,949,253	25,236,614	25,921,202	27,750,578	29,270,203
3,285,473	3,105,578	3,188,525	3,272,294	3,430,959	3,628,213
3,744,536	4,033,671	3,800,343	3,841,998	3,519,010	3,576,418
-	-	-	-	948,662	1,034,904
5,979,539	6,587,426	6,811,318	6,889,195	7,158,956	7,645,473
29,979,713	39,054,690	41,329,762	42,547,658	35,235,868	36,137,495
-	-	-	-	-	-
92,990	79,221	104,072	121,291	186,668	460,739
1,047,657	590,682	532,864	965,032	380,492	225,605
68,037,525	77,400,521	81,003,498	83,558,670	78,611,193	81,979,050
1,892	2,180	2,368	3,560	8,596	17,201
14	414	-	130	5,270	308
1,906	2,594	2,368	3,690	13,866	17,509
68,039,431	77,403,115	81,005,866	83,562,360	78,625,059	81,996,559
4,458,166	6,890,831	5,900,271	3,450,436	3,100,757	2,138,532
132,027	306,162	91,621	(93,785)	(28,277)	126,011
\$ 4,590,193	\$ 7,196,993	\$ 5,991,892	\$ 3,356,651	\$ 3,072,480	\$ 2,264,543

Linn-Mar Community School District

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

	2010	2011	2012	2013
General Fund:				
Nonspendable	\$ -	\$ 37,400	\$ -	\$ -
Restricted	943,448	1,487,025	1,536,821	1,706,507
Committed	-	285,459	-	-
Assigned	-	110,941	-	443,261
Unassigned*	5,172,927	7,889,075	10,234,148	9,512,398
Total General Fund	6,116,375	9,809,900	11,770,969	11,662,166
All other governmental funds:				
Restricted for:				
Capital projects funds	15,430,146	6,251,625	3,749,121	21,454,673
Debt service fund	-	-	-	-
Special revenue funds	10,490,979	10,537,482	10,561,734	6,093,726
Total other governmental funds	25,921,125	16,789,107	14,310,855	27,548,399
Total governmental funds	\$ 32,037,500	\$ 26,599,007	\$ 26,081,824	\$ 39,210,565

Source: School District Financial Records

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

	2014	2015	2016	2017	2018	2019	
\$	-	\$	-	\$	-	\$	-
	1,739,691	1,793,043	1,363,797	1,513,994	1,153,042	1,067,117	
	-	-	-	-	-	-	
	484,639	521,726	445,301	476,285	446,136	421,121	
	8,797,941	8,091,108	8,317,146	8,407,084	8,372,478	8,371,898	
	11,022,271	10,405,877	10,126,244	10,397,363	9,971,656	9,860,136	
	7,954,093	11,960,248	15,467,494	7,494,765	6,985,042	13,141,970	
	-	-	-	4,339,699	4,078,964	4,207,934	
	11,372,990	6,363,405	7,126,623	3,232,304	3,438,057	3,839,507	
	19,327,083	18,323,653	22,594,117	15,066,768	14,502,063	21,189,411	
\$	30,349,354	\$ 28,729,530	\$ 32,720,361	\$ 25,464,131	\$ 24,473,719	\$ 31,049,547	

Linn-Mar Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013
Local sources:				
Property taxes	\$ 29,571,174	\$ 30,323,051	\$ 30,125,664	\$ 30,321,844
Tuition	2,176,974	2,510,058	2,824,909	2,989,998
Other revenues	2,701,306	2,805,732	2,647,870	2,855,684
Total local sources	34,449,454	35,638,841	35,598,443	36,167,526
Intermediate sources	-	-	-	-
State sources:				
Statewide sales and services tax	6,709,286	6,121,089	6,441,915	5,600,634
State grants	27,767,019	33,473,648	35,327,946	36,219,406
Total state sources	34,476,305	39,594,737	41,769,861	41,820,040
Federal sources	5,484,986	3,752,150	3,029,743	2,277,606
Total revenues	\$ 74,410,745	\$ 78,985,728	\$ 80,398,047	\$ 80,265,172

Source: School District Financial Records

	2014	2015	2016	2017	2018	2019
\$	30,937,626	\$ 31,088,502	\$ 32,225,482	\$ 33,035,494	\$ 34,700,547	\$ 36,849,199
	3,350,347	3,604,028.00	4,266,217	4,869,613	5,259,122	5,282,546
	2,607,885	2,773,333	2,844,683	3,057,301	3,012,082	3,347,584
	36,895,858	37,465,863	39,336,382	40,962,408	42,971,751	45,479,329
	-	-	-	8,000	-	-
	5,979,539	6,587,426	6,811,318	6,889,195	6,808,180	7,645,473
	44,565,250	42,737,570	45,294,013	46,582,216	47,656,336	48,990,802
	50,544,789	49,324,996	52,105,331	53,471,411	54,464,516	56,636,275
	2,197,297	2,220,542	2,048,773	2,494,084	2,788,965	2,944,639
\$	89,637,944	\$ 89,011,401	\$ 93,490,486	\$ 96,935,903	\$ 100,225,232	\$ 105,060,243

Linn-Mar Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013
Instruction	\$ 41,092,354	\$ 41,480,379	\$ 42,714,244	\$ 45,215,491
Support services:				
Student services	2,236,875	3,095,442	3,226,515	3,469,352
Instructional staff support services	2,369,786	2,514,172	3,038,724	2,971,449
Administrative services	5,432,534	5,821,026	6,086,374	6,221,704
Plant operation and maintenance	5,165,727	5,179,501	5,088,137	5,625,511
Transportation services	2,477,945	2,095,187	2,506,679	2,550,324
Non-instructional programs	97,096	112,581	187,193	167,064
Capital outlay	25,726,426	11,932,534	5,946,332	8,560,965
AEA flowthrough	2,582,490	2,703,997	2,543,681	2,620,028
Debt service:				
Principal	10,729,432	17,676,750	6,327,396	6,381,134
Interest and fiscal charges	3,409,086	3,569,922	3,266,476	3,145,633
Total expenditures	\$ 101,319,751	\$ 96,181,491	\$ 80,931,751	\$ 86,928,655
Debt service as a percentage of noncapital expenditures	7.69%	25.24%	12.59%	12.16%

Source: School District Financial Records

	2014	2015	2016	2017	2018	2019
\$	48,230,224	\$ 49,047,463	\$ 52,864,635	\$ 54,341,263	\$ 57,269,830	\$ 61,785,512
	3,564,347	3,673,553	3,704,754	4,322,032	4,301,729	4,183,675
	3,072,281	5,112,761	5,382,209	5,622,911	6,151,635	6,137,836
	6,333,244	6,608,157	6,932,883	6,999,671	7,104,822	7,379,834
	6,263,679	6,464,301	6,567,506	6,499,306	6,692,844	6,866,139
	2,691,915	2,763,461	2,782,122	2,829,377	3,020,658	3,049,862
	121,088	130,525	128,979	123,241	98,406	92,559
	8,992,938	8,626,662	19,381,436	9,448,106	3,251,094	5,899,443
	2,777,361	2,923,429	3,055,116	3,107,129	3,239,555	3,339,090
	30,663,356	6,405,675	5,780,000	23,870,000	7,165,000	7,140,000
	3,328,577	2,743,913	2,933,691	3,098,806	2,960,809	2,759,588
\$	116,039,010	\$ 94,499,900	\$ 109,513,331	\$ 120,261,842	\$ 101,256,382	\$ 108,633,538
	31.75%	10.65%	24.49%	24.34%	10.33%	9.86%

Linn-Mar Community School District

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013
Excess (deficiency) of revenues over (under) expenditures	\$ (26,909,006)	\$ (17,195,763)	\$ (533,704)	\$ (6,663,483)
Other financing sources (uses):				
Capital lease proceeds	314,228	-	-	-
Transfer in	4,753,458	5,462,810	6,009,968	16,193,578
Transfer out	(4,753,458)	(5,462,810)	(6,009,968)	(16,193,578)
Sale of equipment	7,481	1,769	16,521	5,795
Compensation for loss on capital assets	-	-	-	-
Sale of real property	-	500	-	-
Capital loan note issuance	-	-	-	-
Revenue bond issuance	34,400,000	-	-	20,000,000
General obligation refunding bonds issued	6,740,000	-	-	-
General obligation bonds issued	-	11,755,000	-	-
Net premiums/discounts on bond issuances	-	-	-	(213,571)
Total other financing sources (uses)	41,461,709	11,757,269	16,521	19,792,224
Net change in fund balances	\$ 14,552,703	\$ (5,438,494)	\$ (517,183)	\$ 13,128,741

Source: School District Financial Records

2014	2015	2016	2017	2018	2019
\$ (32,380,605)	\$ (5,488,499)	\$ (16,022,845)	\$ (23,325,939)	\$ (1,031,150)	\$ (3,573,295)
-	-	-	-	-	-
16,099,513	8,246,454	6,001,233	7,173,507	6,277,163	6,267,600
(16,099,513)	(8,246,454)	(6,001,233)	(7,173,507)	(6,277,163)	(6,267,600)
53,819	-	13,676	49,624	40,738	55,820
-	-	-	71,872	-	-
-	203,675	-	-	-	-
-	-	10,000,000	-	-	-
22,800,000	3,665,000	10,000,000	-	-	-
-	-	-	14,125,000	-	-
-	-	-	-	-	10,000,000
665,575	-	-	1,823,213	-	93,303
23,519,394	3,868,675	20,013,676	16,069,709	40,738	10,149,123
\$ (8,861,211)	\$ (1,619,824)	\$ 3,990,831	\$ (7,256,230)	\$ (990,412)	\$ 6,575,828

Linn-Mar Community School District

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

Fiscal Year Ended June 30,	Instruction	Support Services	Non- Instructional Programs	Other Expenditures	Total Expenditures	Other Financing Uses
2019	\$ 57,302,699	\$ 26,049,740	\$ -	\$ 3,339,090	\$ 86,691,529	\$ 18,378
2018	54,761,167	25,888,505	-	3,239,555	83,889,227	26,974
2017	51,922,604	24,630,371	-	3,107,129	79,660,104	12,281
2016	49,997,441	23,747,703	-	3,055,116	76,800,260	-
2015	46,964,048	23,133,985	-	2,923,429	73,021,462	-
2014	45,416,152	20,307,702	-	2,777,361	68,501,215	-
2013	43,073,258	19,597,510	-	2,620,028	65,290,796	-
2012	40,918,907	19,237,650	-	2,543,681	62,700,238	-
2011	39,494,522	17,945,296	-	2,703,997	60,143,815	-
2010	38,890,572	16,428,065	-	2,582,490	57,901,127	-

Source: School District Financial Records

Linn-Mar Community School District

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

Fiscal Year Ended June 30,	Local Tax	State	Federal	Miscellaneous	Total Revenues	Other Financing Uses
2019	\$ 28,141,026	\$ 48,779,896	\$ 2,944,639	\$ 6,677,006	\$ 86,542,567	\$ 18,378
2018	26,546,671	47,435,997	2,788,965	6,678,123	83,449,756	40,738
2017	24,785,704	46,347,416	2,494,084	6,253,052	79,880,256	63,248
2016	23,986,903	45,028,110	2,048,773	5,443,165	76,506,951	13,676
2015	22,754,909	42,577,642	2,220,542	4,843,746	72,396,839	8,229
2014	22,705,206	38,582,952	2,197,297	4,367,577	67,853,032	8,288
2013	22,570,032	36,216,767	2,277,606	4,058,710	65,123,115	58,878
2012	22,532,908	35,325,267	3,029,743	3,756,868	64,644,786	16,521
2011	23,106,617	33,471,036	3,752,150	3,505,767	63,835,570	1,769
2010	22,681,230	27,764,454	5,484,986	2,953,300	58,883,970	7,481

Source: School District Financial Records

Linn-Mar Community School District

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

Assessment Year	Collection Year	Actual Value			Less Exemptions	Total Taxable Value	Total Direct Rate
		Residential Property	Commercial Property	Other Property			
2017	2018-19	2,669,255,000	586,958,767	284,640,379	1,356,598,618	2,184,255,528	17.37262
2016	2017-18	2,523,208,100	494,562,506	275,862,298	1,244,913,378	2,048,719,526	17.37544
2015	2016-17	2,436,608,100	484,766,546	267,382,298	1,233,351,437	1,955,405,507	17.37723
2014	2015-16	2,353,842,868	548,360,758	183,971,846	1,182,203,330	1,903,972,142	17.37861
2013	2014-15	2,284,210,354	548,493,780	169,642,588	1,139,926,871	1,862,419,851	17.00411
2012	2013-14	2,238,748,147	537,214,072	139,152,794	1,096,153,062	1,818,961,951	17.26780
2011	2012-13	2,204,092,586	520,222,182	135,423,932	1,125,070,806	1,734,667,894	17.73099
2010	2011-12	2,153,396,178	503,990,676	125,663,342	1,136,730,855	1,646,319,341	18.54161
2009	2010-11	2,073,971,062	500,753,652	125,978,973	1,129,135,324	1,571,568,363	19.73839
2008	2009-10	1,990,858,611	477,986,759	106,310,922	1,095,573,208	1,479,583,084	20.22951

Source: Linn County Auditor

Linn-Mar Community School District

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

Fiscal Year	Levy	Collected within the Levy Year		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of the Levy		Amount	Percentage of the Levy
2019	\$ 36,643,522	\$ 36,515,841	99.65%	\$ 129,612	\$ 36,645,453	100.01%
2018	34,611,614	34,548,420	99.82%	75,617	34,624,036	100.04%
2017	32,941,467	32,848,881	99.72%	82,864	32,931,745	99.97%
2016	32,160,080	32,050,116	99.66%	100,781	32,150,896	99.97%
2015	31,124,849	30,907,422	99.30%	87,250	30,994,672	99.58%
2014	30,873,621	30,751,540	99.60%	96,070	30,847,610	99.92%
2013	30,246,623	30,083,367	99.46%	101,105	30,184,472	99.79%
2012	30,028,665	29,867,169	99.46%	147,759	30,014,928	99.95%
2011	30,261,870	29,992,625	99.11%	168,928	30,161,553	99.67%
2010	29,491,293	29,241,244	99.15%	235,142	29,476,386	99.95%

Source: School District Financial Records

Linn-Mar Community School District

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

Levy Year	Collection Year	City of Cedar Rapids	City of Marion	City of Robins
2017	2018-19			
	County	5.83902	5.83902	5.83902
	Schools	17.37262	17.37262	17.37262
	City	15.21621	14.22338	7.92171
	Miscellaneous	1.55739	1.55364	1.55364
	Total Levy	39.98524	38.98866	32.68699
Ratio of Linn-Mar Community School District to Total		43.45%	44.56%	53.15%
2016	2017-18			
	County	6.14108	6.14108	6.14108
	Schools	17.37544	17.37544	17.37544
	City	15.21621	13.98943	7.67714
	Miscellaneous	1.51391	1.50398	1.50398
	Total Levy	40.24664	39.00993	32.69764
Ratio of Linn-Mar Community School District to Total		43.17%	44.54%	53.14%
2015	2016-17			
	County	6.14108	6.14108	6.14108
	Schools	17.37723	17.37723	17.37723
	City	15.21621	13.82108	7.96103
	Miscellaneous	1.48018	1.45693	1.45693
	Total Levy	40.2147	38.79632	32.93627
Ratio of Linn-Mar Community School District to Total		43.21%	44.79%	52.76%
2014	2015-16			
	County	6.14225	6.14225	6.14225
	Schools	17.37861	17.37861	17.37861
	City	15.21621	13.58625	7.97127
	Miscellaneous	1.44038	1.47354	1.47354
	Total Levy	40.17745	38.58065	32.96567
Ratio of Linn-Mar Community School District to Total		43.25%	45.04%	52.72%

Linn-Mar Community School District

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

Levy Year	Collection Year	City of Cedar Rapids	City of Marion	City of Robins
2013	2014-15			
	County	6.14191	6.14191	6.14191
	Schools	17.00411	17.00411	17.00411
	City	15.21621	13.12953	7.9306
	Miscellaneous	1.43456	1.47869	1.47869
	Total Levy	39.79679	37.75424	32.55531
Ratio of Linn-Mar Community School District to Total		42.73%	45.04%	52.23%
2012	2013-14			
	County	6.11191	6.11191	6.11191
	Schools	17.26780	17.26780	17.26780
	City	15.21621	13.15637	7.77881
	Miscellaneous	1.46096	1.32167	1.32167
	Total Levy	40.05688	37.85775	32.48019
Ratio of Linn-Mar Community School District to Total		43.11%	45.61%	53.16%
2011	2012-2013			
	County	6.11191	6.11191	6.11191
	Schools	17.73099	17.73099	17.73099
	City	15.21621	13.62416	8.02375
	Miscellaneous	1.35108	1.64296	1.64296
	Total Levy	40.41019	39.11002	33.50961
Ratio of Linn-Mar Community School District to Total		43.88%	45.34%	52.91%
2010	2011-2012			
	County	6.11117	6.11117	6.11117
	Schools	18.54161	18.54161	18.54161
	City	15.21621	13.5098	8.60023
	Miscellaneous	1.29745	1.59012	1.59012
	Total Levy	41.16644	39.7527	34.84313
Ratio of Linn-Mar Community School District to Total		45.04%	46.64%	53.21%

(Continued)

Linn-Mar Community School District

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

Levy Year	Collection Year	City of Cedar Rapids	City of Marion	City of Robins
2009	2010-2011			
	County	6.06829	6.06829	6.06829
	Schools	19.73839	19.73839	19.73839
	City	15.21621	13.63603	9.01063
	Miscellaneous	1.26511	1.26511	1.26511
	Total Levy	<u>42.288</u>	<u>40.70782</u>	<u>36.08242</u>
Ratio of Linn-Mar Community School District to Total		<u>46.68%</u>	<u>48.49%</u>	<u>54.70%</u>
2008	2009-2010			
	County	5.95245	5.95245	5.95245
	Schools	20.22951	20.22951	20.22951
	City	15.21621	13.86482	9.28024
	Miscellaneous	1.22581	1.22581	1.22581
	Total Levy	<u>42.62398</u>	<u>41.27259</u>	<u>36.68801</u>
Ratio of Linn-Mar Community School District to Total		<u>47.46%</u>	<u>49.01%</u>	<u>55.14%</u>

Source: Linn County Auditor

Linn-Mar Community School District

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

Fiscal Year Ending 30-Jun	General	Management	Board Physical Plant and Equipment	Playground	Board Physical Plant and Equipment	Debt Service	Total
2019	13.41665	0.50486	0.33000	0.13500	1.34000	1.64611	17.37262
2018	13.38276	0.47490	0.33000	0.13500	1.34000	1.71278	17.37544
2017	13.14183	0.47075	0.33000	0.13500	1.34000	1.95965	17.37723
2016	13.03448	0.54742	0.33000	0.13500	1.34000	1.99171	17.37861
2015	12.50639	0.52341	0.33000	0.13500	1.34000	2.16931	17.00411
2014	12.73201	0.67647	0.33000	0.13500	1.34000	2.05432	17.26780
2013	13.26000	0.50000	0.33000	0.13500	1.34000	2.16599	17.73099
2012	13.93153	0.50000	0.33000	0.13500	1.34000	2.30508	18.54161
2011	15.11830	1.14668	0.33000	0.13500	0.67000	2.33841	19.73839
2010	15.56715	0.90000	0.33000	0.13500	0.67000	2.62736	20.22951

Source: School District Financial Records

Linn-Mar Community School District

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

Taxpayer	2017 Value 1-1-17 Valuation	Percentage of Total Taxable Value Valuation *	2008 Taxable Value 1-1-08 Valuation	Percentage of Total Taxable Value Valuation **
SDG Macerich Properties	\$ 41,278,320	1.89%	\$ 34,374,794	2.19%
Rockwell Collins Inc	31,374,584	1.44%	19,126,456	1.22%
Hunter Companies LLC	13,935,330	0.64%	-	-
Wal-Mart Real Estate Business Trust	12,168,180	0.56%	10,850,705	0.69%
Collins Square LLC	10,925,100	0.50%	12,653,384	0.81%
Northland Square Center LLC	10,486,440	0.48%	-	-
Apple Ten Hospitality Ownership Inc	9,949,230	0.46%	-	-
Target Corporation	9,800,820	0.45%	8,419,751	0.54%
National Retail Properties LP	9,136,710	0.42%	-	-
JP Pense LLC	8,565,030	0.39%	-	-
OPM LC	-	-	13,146,559	0.84%
Developers Diversified Realty Group	-	-	11,552,641	0.74%
Timberland Partners	-	-	10,784,528	0.69%
Atrium Finance I LP	-	-	9,675,466	0.62%
Busse Investment Inc	-	-	8,207,687	0.52%
Total	<u>\$ 157,619,744</u>	7.22%	<u>\$ 138,791,971</u>	8.83%

* 2017 Total District Taxable Valuation is \$2,184,255,528

** 2008 Total District Taxable Valuation was \$1,571,568,363

Note: The 2017 valuation was reported because the taxes collected during the 2019 fiscal year was based on the 2017 valuation.

Source: Linn County Auditor

Linn-Mar Community School District

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

Fiscal Year	Assessed Values of Property	General Obligation Bonds	Revenue Bonds	Capital Loan Notes	Total Bonds	Ratio of Bonded Debt To Assessed Value	Bonded Debt Per Capita
2019	\$ 3,540,854,146	\$ 32,420,000	\$ 45,990,000	\$ 6,885,000	\$ 85,295,000	2.41%	\$ 313
2018	3,293,632,904	25,000,000	49,490,000	7,945,000	82,435,000	2.50%	306
2017	3,188,756,944	27,305,000	53,310,000	8,985,000	89,600,000	2.81%	335
2016	3,086,175,472	32,335,000	57,010,000	10,000,000	99,345,000	3.22%	372
2015	3,002,346,722	35,585,000	49,540,000	-	85,125,000	2.84%	320
2014	2,915,115,013	38,805,000	49,005,000	-	87,810,000	3.01%	332
2013	2,859,738,700	42,260,000	53,360,000	-	95,620,000	3.34%	364
2012	2,783,050,196	45,365,000	36,585,000	-	81,950,000	2.94%	315
2011	2,700,703,687	48,440,000	39,705,000	-	88,145,000	3.26%	341
2010	2,545,408,524	51,215,000	42,725,000	-	93,940,000	3.69%	365

Source: District Financial Records, Woods & Poole Economics

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

Linn-Mar Community School District

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

Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Loan Notes	Capital Leases	Total Primary Government	Ratio Of Bonded Debt To Personal Income *	Per Capita*
2019	\$ 33,556,048	\$45,990,000	\$ 6,885,000	\$ -	\$ 86,431,048	0.60%	\$ 313
2018	25,000,000	49,490,000	7,945,000	-	82,435,000	0.60%	306
2017	27,305,000	53,310,000	8,985,000	-	89,600,000	0.67%	335
2016	32,335,000	57,010,000	10,000,000	-	99,345,000	0.78%	372
2015	35,585,000	49,540,000	-	-	85,125,000	0.68%	320
2014	38,805,000	49,005,000	-	55,675	87,865,675	0.73%	332
2013	42,260,000	53,360,000	-	109,031	95,729,031	0.81%	365
2012	45,365,000	36,585,000	-	160,165	82,110,165	0.73%	316
2011	48,440,000	39,705,000	-	292,561	88,437,561	0.83%	342
2010	51,215,000	42,725,000	-	419,310	94,359,310	0.91%	366

Source: School District Financial Records.

* See Miscellaneous Demographic Statistics on page 98. These ratios are calculated using personal income and population for the prior calendar year.

Linn-Mar Community School District

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

Fiscal Year	Local Option Sales Tax Revenue Bonds				Capital Loan Notes			
	Revenue	Debt Service		Coverage	Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2019	\$7,618,440	\$3,500,000	\$ 1,492,138	1.53	\$ 3,665,765	\$ 1,060,000	\$ 154,927	3.00
2018	6,808,180	3,820,000	1,583,105	1.26	3,403,026	1,040,000	175,208	2.80
2017	6,889,195	3,700,000	1,677,229	1.28	3,364,875	1,015,000	195,000	3.00
2016	6,811,318	2,530,000	1,634,525	1.64	3,290,745	-	-	n/a
2015	6,587,426	3,130,000	1,415,579	1.45	3,164,958	-	-	n/a
2014	5,979,539	2,710,000	855,871	1.68	3,045,026	-	-	n/a
2013	5,600,634	3,225,000	1,417,702	1.21	2,905,197	-	-	n/a
2012	6,441,915	3,120,000	1,532,367	1.38	2,759,337	-	-	n/a
2011	6,121,089	3,020,000	1,507,500	1.35	1,575,427	-	-	n/a
2010	6,709,286	1,200,000	726,581	3	1,484,240	-	-	n/a

Source: School District Financial Records

Linn-Mar Community School District

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

	2018-2019	2017-2018	2016-2017	2015-2016
Total Assessed Valuation	\$ 3,537,698,090	\$ 3,290,401,068	\$ 3,188,756,944	\$ 3,086,175,472
Bonded Debt Limit * 5% of assessed valuation	176,884,905	164,520,053	159,437,847	154,308,774
Bonded Debt at end of fiscal year	86,431,048	82,435,000	89,600,000	99,345,000
Debt Margin at end of fiscal year	\$90,453,857	\$82,085,053	\$69,837,847	\$54,963,774
Legal Debt Margin as a Percentage of debt limit	51.14%	49.89%	43.80%	35.62%

* Code of Iowa Section 296.1

Source: Linn County Auditor
School District Financial Records

2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
<u>\$ 3,002,346,722</u>	<u>\$ 2,915,115,013</u>	<u>\$ 2,859,738,700</u>	<u>\$ 2,783,050,196</u>	<u>\$ 2,700,703,687</u>	<u>\$ 2,545,508,524</u>
150,117,336	145,755,751	142,986,935	139,152,510	135,035,184	127,270,426
85,125,000	87,865,675	95,729,031	82,110,165	88,437,561	94,634,512
<u>\$64,992,336</u>	<u>\$57,890,076</u>	<u>\$47,257,904</u>	<u>\$57,042,344</u>	<u>\$46,597,623</u>	<u>\$32,911,116</u>
43.29%	39.72%	33.05%	40.99%	34.51%	25.86%

Linn-Mar Community School District

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

	Gross General Obligation Debt Outstanding	Percentage Applicable to Governmental Unit *	Linn-Mar Community School District Share of Debt
Direct:			
Linn-Mar Community School District	\$ 32,420,000	100%	\$ 32,420,000
Overlapping:			
City of Cedar Rapids	168,904,887	0.00%	19,288,938
City of Marion	55,245,000	0.00%	39,809,547
City of Robbins	5,215,000	0.00%	1,349,642
Kirkwood Community College	48,710,000	0.00%	4,047,801
Linn County	34,550,000	0.00%	6,509,220
Total Overlapping	312,624,887		71,005,148
Total Direct and Overlapping Debt	\$ 345,044,887		\$ 103,425,148

Source: Linn County Auditor

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Linn-Mar Community School District

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

Calendar Year	Population	Personal Income	Per Capita Income	Cedar Rapids Retail Sales (In Millions)	Marion Retail Sales (In Millions)	Linn-County Unemployment Rate	State Unemployment Rate
2018	272,295	\$14,205,142,000	52,168	\$ 3,205	\$ 375	3.40%	2.50%
2017	269,330	13,655,838,990	50,703	3,215	371	3.50%	3.10%
2016	267,447	13,375,291,917	50,011	3,191	364	3.70%	3.50%
2015	266,998	12,816,704,994	48,003	3,526	457	3.90%	3.80%
2014	265,624	12,429,078,208	46,792	3,044	351	4.40%	4.00%
2013	264,346	11,973,287,724	45,294	2,973	340	5.00%	4.40%
2012	262,534	11,870,474,810	45,215	2,931	341	5.20%	4.90%
2011	259,828	11,174,162,968	43,006	2,862	329	5.70%	5.30%
2010	258,467	10,693,813,658	41,374	2,645	333	6.00%	5.70%
2009	257,530	10,417,088,500	40,450	2,895	352	6.10%	6.40%

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

Note: The information provided in this chart is collected on a calendar year basis, so data for 2019 is not yet available.

Linn-Mar Community School District

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

Year	City of Cedar Rapids New Commerical		City of Marion New Commerical	
	# of Permits	Valualtion	# of Permits	Valualtion
2018	54	\$ 130,642,804	13	\$ 22,230,151
2017	59	118,816,581	25	39,427,284
2016	65	95,888,669	16	12,384,735
2015	38	75,376,545	14	6,420,879
2014	45	49,446,998	12	2,369,744
2013	64	85,971,266	18	9,608,347
2012	26	44,088,780	6	3,260,541
2011	20	43,488,532	11	2,494,538
2010	22	37,695,793	10	30,148,436
2009	21	19,387,965	6	902,214

Year	City of Cedar Rapids New Industrial		City of Marion New Industrial	
	# of Permits	Valualtion	# of Permits	Valualtion
2018	0	\$ -	0	\$ -
2017	0	\$ -	0	\$ -
2016	0	-	0	-
2015	0	-	9	16,380,099
2014	0	-	2	3,445,873
2013	0	-	0	-
2012	5	1,402,760	0	-
2011	7	1,962,394	0	-
2010	0	-	1	75,000
2009	1	163,900	0	-

Source: City of Cedar Rapids Building Department
City of Marion

Note: The information provided in this chart is collected on a calendar year basis, so data for 2019 is not yet available.

Linn-Mar Community School District

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

Year	City of Cedar Rapids Single-Family		City of Marion Single-Family	
	# of Permits	Valuation	# of Permits	Valuation
2018	134	\$ 14,866,721	160	\$ 19,448,950
2017	214	22,667,477	171	21,027,035
2016	219	22,354,265	164	19,773,834
2015	268	23,607,356	202	26,212,686
2014	325	34,621,397	145	17,599,562
2013	246	24,631,630	184	22,646,922
2012	253	26,111,686	157	18,988,018
2011	212	20,726,818	128	14,949,682
2010	332	29,438,833	145	16,677,433
2009	323	29,770,945	143	16,333,694

Year	City of Cedar Rapids Multi-Family		City of Marion Multi-Family	
	# of Permits	Valuation	# of Permits	Valuation
2018	31(n/a)	\$ 5,083,622	21 (n/a)	\$ 7,193,136
2017	42(n/a)	7,455,378	29(n/a)	8,638,905
2016	46(n/a)	6,783,769	27(n/a)	7,329,250
2015	31(n/a)	5,342,262	13(n/a)	11,019,666
2014	27(n/a)	10,432,216	15(n/a)	4,233,891
2013	24(n/a)	4,370,772	12(n/a)	3,713,484
2012	29(n/a)	6,935,533	24(n/a)	6,193,893
2011	64(n/a)	7,849,210	23(n/a)	5,349,470
2010	33(99)	6,331,267	21(n/a)	3,960,067
2009	73(403)	28,959,453	27(n/a)	6,037,139

Source: City of Cedar Rapids Building Department
City of Marion

Note: The information provided in this chart is collected on a calendar year basis, so data for 2019 is not yet available.



Linn-Mar Community School District

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

Employer	2018		2009	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
State University of IA/Hospital	29,705	46.76%	28,781	46.78%
Rockwell-Avionics	8,300	13.07%	9,253	15.04%
Area Schools/AEA	6,224	9.80%	6,051	9.83%
TransAmerica	3,340	5.26%	3,500	5.69%
St. Lukes Hospital	2,979	4.69%	2,700	4.39%
Mercy Medical Center	2,140	3.37%	2,300	3.74%
Whirlpool Corporation	3,400	5.35%	2,273	3.69%
Vetrans Health Administration	2,150	3.38%	-	0.00%
Pearson	775	1.22%	-	0.00%
Mercy Iowa City	1,325	2.09%	-	0.00%
Hy-Vee Stores	2,356	3.71%	3,500	5.69%
Walmart Stores, Inc.	830	1.31%	3,170	5.15%
Total	63,524	100.00%	61,528	100.00%

Source: Cedar Rapids Area Chamber of Commerce

Linn-Mar Community School District

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

	Fiscal Year			
	2010	2011	2012	2013
Administration				
Superintendent	1	1	1	1
Associate Superintendent	1	1	1	1
Principals	10	10	10	10
Assistant Principals	6	8	8	8
Deans	2	2	2	2
School Admin. Manager	5	7	7	7
Other Administrators	4	4	4	4
Supervisors	7	8	7	7
Instructors				
Regular Program Teachers	366.6	367.33	363.5	377.5
Special Education Teachers	56	54.27	64	62
Student Services				
Guidance Counselors	17	17	17	18
Media Specialists	10	10	10	10
Curriculum Coordinators	2	2	2	4
Other Licensed Staff	5	6	6	6
Other Coordinators	4	6	8	8
Support Personnel				
Nurse	4	4	4	4
Clerical	43.5	43.56	41.26	43.5
Paraeducators	154.9	144.95	178.48	187.5
Custodial & Maintenance	63	58	61.5	73
Food Service	49.82	51.57	48.51	52.5
Bus Drivers	28.19	26.9	28.18	26.77
	840.01	832.58	872.43	912.77

Source: District Personnel Records

Fiscal Year						
2014	2015	2016	2017	2018	2019	
1	1	1	1	1	1	1
1	1	1	1	1	1	1
10	10	10	10	10	10	10
8	9	9	9	9	9	10
2	1	1	2	2	2	2
7	7	7	7	7	7	7
5	5	5	5	4	4	4
7	7	8	7	7	7	6
376.5	402.5	419.37	417.17	433.67	438.17	438.17
62	65	65	65.5	63	63.5	63.5
19	19	18	19	19	20	20
10	10	10	10	10	10	10
4	5	5	5	6	6	6
6	6	7	7	9	9.5	9.5
9	9	9	9	12	12	12
4	4	4.5	5.5	4.5	5.5	5.5
42.43	42.43	42.5	41	39.45	41.63	41.63
192.38	195	212.5	224.7	247.98	267.46	267.46
70.06	73	70.1	70.5	71.29	69.19	69.19
51.02	53	54	54	57.77	53.49	53.49
27.67	28	30	30	30.9	32.22	32.22
915.06	952.93	988.97	1000.37	1045.56	1069.66	1069.66

Linn-Mar Community School District

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

Fiscal Year Ended June 30,	Insured Property Value	Expenditures For Construction	Bank Deposit *
2019	\$ 242,049,566	\$ 5,899,442	\$ 20,609,541
2018	213,573,152	3,239,412	19,668,746
2017	213,076,371	9,448,106	20,017,152
2016	208,651,988	19,381,435	19,619,302
2015	202,429,166	8,626,662	19,430,788
2014	198,472,285	8,954,338	20,056,826
2013	150,587,691	8,539,938	20,021,889
2012	148,917,277	4,760,465	20,029,573
2011	138,693,867	11,709,850	6,638,429
2010	138,979,461	24,266,307	4,000,518

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

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

Linn-Mar Community School District

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

Fiscal Year	Total Costs *	Average Daily Attendance	Operating Costs Per Pupil
2018-2019	\$ 86,709,904	7,232	\$ 11,990
2017-2018	83,889,227	7,224	11,613
2016-2017	79,674,924	7,140	11,158
2015-2016	76,800,261	7,001	10,970
2014-2015	73,021,462	6,845	10,668
2013-2014	68,501,215	6,714	10,203
2012-2013	65,290,796	6,695	9,752
2011-2012	62,700,237	6,419	9,768
2010-2011	60,143,815	6,252	9,620
2009-2010	57,901,127	5,963	9,710

* Includes all General Fund Expenditures

Source: School District Financial and attendance reports

Linn-Mar Community School District

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

School	2010	2011	2012	2013
Elementary				
Bowman Woods				
Square Feet	50,906	50,906	50,906	50,906
Capacity	500	500	500	500
Enrollment	429	417	436	408
Echo Hill				
Square Feet	78,000	78,000	78,000	78,000
Capacity	600	600	600	600
Enrollment	542	458	432	502
Indian Creek				
Square Feet	49,200	49,200	49,200	49,200
Capacity	450	450	450	450
Enrollment	430	452	447	502
Linn Grove				
Square Feet	78,000	78,000	78,000	78,000
Capacity	600	600	600	600
Enrollment	392	440	460	454
Novak				
Square Feet	57,300	78,000	78,000	78,000
Capacity	400	600	600	600
Enrollment	351	484	485	504
Westfield				
Square Feet	58,000	58,000	58,000	58,000
Capacity	500	500	500	500
Enrollment	457	459	446	453
Wilkins				
Square Feet	48,800	48,800	48,800	48,800
Capacity	500	500	500	500
Enrollment	436	447	458	432
Middle School/Intermediate ^a				
Excelsior				
Square Feet	126,700	126,700	126,700	126,700
Capacity	1,100	1,100	1,100	1,100
Enrollment	738	761	849	927
Oak Ridge ^c				
Square Feet	105,383	105,383	105,383	105,383
Capacity	750	750	750	750
Enrollment	659	700	670	678
High School/Junior High ^b				
Square Feet	305,000	305,000	305,000	305,000
Capacity	1,800	1,800	1,800	1,800
Enrollment	1,806	1,708	1,776	1,928

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

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

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

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

Source: School District Financial Records

2014	2015	2016	2017	2018	2019
50,906	50,906	50,906	50,906	50,906	50,906
550	550	550	550	550	550
419	484	484	482	456	456
78,000	78,000	78,000	78,000	78,000	78,000
600	600	600	600	600	600
512	567	612	610	564	564
49,200	49,200	49,200	49,200	49,200	49,200
500	500	500	500	500	500
502	509	516	529	564	564
78,000	78,000	78,000	78,000	78,000	78,000
600	600	600	600	600	600
466	491	562	568	530	530
78,000	78,000	78,000	78,000	78,000	78,000
600	600	600	600	600	600
518	454	529	547	591	591
58,000	58,000	58,000	66,763	66,763	66,763
500	500	500	600	600	600
452	426	437	427	552	552
48,800	48,800	48,800	48,800	48,800	48,800
500	500	500	500	500	500
440	479	465	446	423	423
126,700	126,700	126,700	126,700	126,700	126,700
1,100	1,100	1,100	1,100	1,100	1,100
938	928	947	974	953	953
105,383	105,383	117,013	119,712	119,712	119,712
750	750	800	800	800	800
681	713	756	753	768	768
315,478	315,478	315,478	302,704	302,704	302,704
2,200	2,200	2,200	2,400	2,400	2,400
1,934	1,979	2,012	2,061	2,168	2,168

Linn-Mar Community School District

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

School Year	Unassigned & Assigned General Fund Balance	Actual Revenues	Financial Solvency Ratio
2018-2019	\$ 8,793,020	\$ 86,598,385	10.15%
2017-2018	8,818,614	83,490,494	10.56%
2016-2017	8,880,831	79,943,505	11.11%
2015-2016	8,762,447	76,520,627	11.45%
2014-2015	8,612,834	72,405,068	11.90%
2013-2014	9,282,581	67,860,878	13.68%
2012-2013	9,955,659	65,181,993	15.27%
2011-2012	10,234,148	64,661,306	15.83%
2010-2011	8,000,016	63,835,570	12.53%
2009-2010	5,172,928	58,883,970	8.78%

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

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

Ranges utilized are:

TARGETED SOLVENCY POSITION:

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

ACCEPTABLE SOLVENCY POSITION:

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

SOLVENCY ALERT:

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

SOLVENCY CONCERN:

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

Source: School District Financial Records

Linn-Mar Community School District

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

Fiscal Year Ending June 30,	Average Daily Membership (ADM)	Average Daily Attendance (ADA)	Ratio of ADA to ADM
2019	7,574	7,232	95.48%
2018	7,568	7,224	95.45%
2017	7,478	7,140	95.49%
2016	7,241	7,001	96.68%
2015	7,146	6,845	95.78%
2014	6,986	6,714	96.11%
2013	6,985	6,695	95.85%
2012	6,687	6,419	95.99%
2011	6,534	6,252	95.68%
2010	6,308	5,963	94.53%

Source: District Enrollment Records

Linn-Mar Community School District

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

School Year	Open Enrollment In	Open Enrollment Out	Net Gain (Loss)
2019	605.6	648	-42
2018	608.6	599	10
2017	589.9	554.5	35
2016	565.5	571.4	-6
2015	498.2	532.7	-35
2014	474.8	513	-38
2013	442	538	-96
2012	399	543	-144
2011	358	532	-174
2010	309	558	-249

Source: School District Certified Enrollment Records

SINGLE AUDIT SECTION





Linn-Mar Community School District

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

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Indirect:				
U.S. Department of Agriculture:				
Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY19 4552	\$ -	\$ 123,382
National School Lunch Program	10.555	FY19 4553	-	974,380
Commodities-DOD (Noncash)	10.555	FY19	-	118,595
Commodities (Noncash)	10.555	FY19	-	134,933
Total Child Nutrition Cluster,				
Total U.S. Department of Agriculture			-	1,351,290
U.S. Department of Education:				
Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY19 4501	-	627,241
Special Education Cluster Programs:				
Special Education-Grants to States, IDEA Part B	84.027	FY19 4511	-	30,291 (1)
Career and Technical Education- Basic Grants to States	84.048	FY19 4531	-	50,173
Special Education-State Personnel Development Grants	84.323	FY19 4526	-	24,246
Improving Teacher Quality State Grants	84.367	FY19 4643	-	138,083
Student Support and Academic Enrichment	84.424	FY19 4669	-	40,580
Grant Wood Area Education Agency:				
Special Education Cluster Programs:				
Special Education - Grants to States, IDEA Part B	84.027	FY19 4521	-	339,888 (1)
English Language Acquisition State Grants	84.365	FY19 4644	-	8,741
Total U.S. Department of Education			-	1,259,243
Total expenditures of federal awards			\$ -	\$ 2,610,533

(1) Total CFDA No. 84.027 \$370,179.

See notes to schedule of expenditures of federal awards.



Linn-Mar Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Linn-Mar Community School District under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 2. Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Linn-Mar Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019**

	Findings	Status	Corrective Action Plan or Other Explanation
Findings Pertaining to the Financial Statements:			
2018-001	The District has insufficient segregation of duties over the payroll process.	Not corrected	See response and corrective action plan at 2019-001
2018-002	The District has insufficient segregation of duties over the disbursement process.	Not corrected	See response and corrective action plan at 2019-002
Findings Pertaining to Federal Awards:			
2018-003	The District does not have an adequate internal control system in place to comply with the procurement requirements of the Office of Management and Budget and Iowa Department of Education.	Corrected	
Findings Pertaining to Statutory Reporting:			
IV-G-18 IV-G-17	There were variances in certified enrollment certified to the state in October 2017.	Not corrected	See response and corrective action plan at IV-G-19
IV-I-18	The ending balance of a money market depository account exceeded the District's depository resolution.	Corrected	



**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Linn-Mar Community School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Linn-Mar Community School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Linn-Mar Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Linn-Mar Community School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about Linn-Mar Community School District's operations for the year ended June 30, 2019 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Linn-Mar Community School District's Responses to Findings

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

Purpose of This Report

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

Bohnsack & Frommelt LLP

Moline, Illinois
November 19, 2019



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

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

Report on Compliance for Each Major Federal Program

We have audited Linn-Mar Community School District’s (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2019. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District’s compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Moline, Illinois
November 19, 2019

Linn-Mar Community School District

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

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency identified?
- Noncompliance material to financial statements noted?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency identified?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Identification of major programs:

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

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

Auditee qualified as low-risk auditee?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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(Continued)

Linn-Mar Community School District

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

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

2019-001

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

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

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

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

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

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

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

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

Linn-Mar Community School District

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

2019-002

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

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

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

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

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

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

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

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

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

Linn-Mar Community School District

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

Part IV: Other Findings Related to Statutory Reporting

IV-A-19

Certified Budget- Expenditures for the year ended June 30, 2019 did not exceed the amounts budgeted at year-end.

IV-B-19

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

IV-C-19

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

IV-D-19

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

<u>Official</u>	<u>Transaction Description</u>	<u>Amount</u>
Clark Weaver, Board Member	Substitute teaching	\$894

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

IV-E-19

Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

IV-F-19

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

IV-G-19

Certified Enrollment

Finding: The Department of Management identified variances in certified enrollment certified to the state in October 2018.

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

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

Conclusion: Response accepted.

Linn-Mar Community School District

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

IV-H-19

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

IV-I-19

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

IV-J-19

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

IV-K-19

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

IV-L-19

Statewide Sales and Services Tax – No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2019, the District did not reduce tax levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

Beginning balance	\$	5,859,473
Revenue / transfers in:		
Statewide sales and services tax revenue		7,618,440
Transfers in/other		86,624
Expenditures/transfers out:		
Transfers out		(5,034,294)
Capital outlay for facilities and property and equipment		(3,023,349)
Ending balance	\$	<u>5,506,894</u>



LINN-MAR

Community School District

2999 North Tenth St.
Marion, IA 52302

Shannon Bisgard
Superintendent

Nathan Wear
Associate Superintendent

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

Leisa Breitfelder
Executive Director of
Student Services

Karla Christian
Chief HR Officer/Executive
Director of Communications

Jeri Ramos
Executive Director of
Technology Services

Sondra Nelson
President
Board of Education

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

Linn-Mar Community School District

**Corrective Action Plan
Year Ended June 30, 2019**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Pertaining to the Financial Statements:				
2019-001	The District has insufficient segregation of duties over the payroll process.	See response and corrective action plan at 2019-001.	June 30, 2020	J.T. Anderson
2019-002	The District has insufficient segregation of duties over the disbursement process.	See response and corrective action plan at 2019-002.	June 30, 2020	J.T. Anderson
Findings Pertaining to Statutory Reporting:				
IV-G-19	There were variances in certified enrollment certified to the state in October 2018.	See response and corrective action plan at IV-G-19	June 30, 2020	J.T. Anderson

Fundraiser Requests

Building	Activity	Sponsor Group	Start Date	End Date	Contact	Date Rec'd	Est Profit	Purpose of Funds
Bowman Woods	Kids Heart Challenge	Bowman Woods	3/9/20	4/2/20	B. Westpfall	11/25/19	\$4,000.00	American Heart Association Donation
Indian Creek	Artsonia	Indian Creek	1/1/20	6/15/20	L. Havlicek	10/14/19	\$150.00	Art Supplies
Oak Ridge	T-Shirt Sales	5-8 Band	Jan 2020	Feb 2020	S. Nuss	9/20/19	\$2,000.00	Music/Instruments/Fees
	T-Shirt Sales	8th Grade Class	12/4/19	3/9/20	B. Peyton	9/20/19	\$500.00	8th Gr Send Off
	T-Shirt Sales	Fearless Girls	1/15/20	2/15/20	B. Goldberg	11/21/19	\$150.00	Necessity Kits for New/Low Income Moms
High School Girls Athletics	Poster Sponsor	Girls Tennis	3/16/20	3/30/20	C. Sevensing	11/19/19	\$400.00	Poster Cost
	Apparel Sales	Girls Tennis	3/23/20	3/30/20	C. Sevensing	11/19/19	\$300.00	Uniforms
	Apparel Sales	Bowling	11/20/19	11/30/19	C. Sevensing	11/19/19	\$300.00	Uniforms & Volunteer Coach Pay
	Poster Sponsor	Bowling	11/18/19	11/30/19	C. Sevensing	11/19/19	\$500.00	Poster Cost
High School Clubs	Ad Sales	Identity Magazine	12/1/20	5/20/20	A. Kloser	11/25/19	\$500.00	Publishing Costs
	T-Shirt Sales	Unifies Sports Club	1/20/20	1/31/20	G. Halverson	11/25/19	\$200.00	Club Costs
	T-Shirt Sales	Special Olympics	1/1/20	1/31/20	G. Halverson	11/25/19	\$100.00	Cost of Shirts & Team Photo

100: Call to Order and Determination of a Quorum

The Linn-Mar Community School District Board of Education annual meeting was called to order at 5:00 PM in the boardroom of the Learning Resource Center. Roll was taken to determine a quorum. Present: AbouAssaly, Isenberg, Lausen, Nelson, Wall, and Weaver. Absent: Mehaffey.

200: Adoption of the Agenda *Motion 067-11-18*

MOTION by Weaver to adopt the agenda, as presented. Second by Lausen. Voice vote, all ayes. Motion carried.

300: Audience Communications: No communications received.

400: Informational Reports
401: School Improvement Advisory Committee (Nov 6th)

Associate Superintendent Wear reported the committee discussed a communication plan for sharing the 2018-19 student achievement data with families and reviewed timelines for the intermediate buildings.

402: Marion City Council (Nov 7th)

Weaver reported the council discussed two developments that fall within the Linn-Mar boundaries and that there are no changes slated for the 29th Street/Indian Creek Road intersection.

403: Policy Committee (Nov 13th)

Weaver reported the committee reviewed the 300 policy series, with no recommended changes, and that additional review is needed regarding recommendations for the 100 policy series.

404: Board Visit (Nov 14th)

Board members reported they enjoyed the use of technology, the students' knowledge and speaking skills, and meeting with the staff during their recent visit to Novak Elementary.

405: 2018-19 Student Achievement Data – Exhibit 405.1

Associate Superintendent Nathan Wear reported that the 2018-19 Iowa Statewide Assessment of Student Progress (ISASP) results were good and reflected the hard work of the students and staff. Wear clarified that the assessment is new, so results cannot be compared to past years and shared the plan to distribute results to the families.

406: Cabinet Update – Exhibit 406.1

Superintendent Bisgard shared information on the passing of the new Revenue Purpose Statement, a construction update, and that feedback is being received on the proposed changes in school start times.

407: Canvass of Votes – Exhibit 407.1

Board Secretary JT Anderson reviewed the canvass of votes from the November 5th elections:

- Barry Buchholz was elected for a term of four years with 2,290 votes
- Brittonia Morey was elected for a term of four years with 2,206 votes
- Sondra Nelson was elected for a term of four years with 3,311 votes
- Clark Weaver was elected for a term of four years with 2,881 votes
- Tim Isenberg was elected for a term of two years with 4,046 votes
- The Revenue Purpose Statement passed with 3,952 votes

500: Unfinished Business

501: Recognition of Outgoing Board Members

Superintendent Bisgard recognized George AbouAssaly and Sofia Mehaffey for their service.

502: Board Operations Manual – Exhibit 502.1

Superintendent Bisgard facilitated a review of the Board Operations Manual. The manual will be updated with the recommended changes and presented at the next board meeting for approval.

600: New Business

601: Appointment of Board Secretary/Treasurer & Administration of Oath *Motion 068-11-18*

MOTION by Lausen to appoint JT Anderson, Linn-Mar Chief Financial/Operating Officer, as Board Secretary and Treasurer for the 2019-20 school year. Second by Wall. Voice vote, all ayes. Motion carried. *Nelson administered the oath of office.*

602: Appointment of Board Legal Counsel for FY20 *Motion 069-11-18*

MOTION by Wall to appoint the law firm of Pickens, Barnes & Abernathy for general counsel and Terry Abernathy as attorney; Simmons, Perrine, Moyer & Bergman for real estate and copyright matters; Ahlers & Cooney for Special Education, personnel, negotiations, construction, real estate, and bonding matters; and Lynch Dallas for general counsel for the 2019-20 school year. Second by Lausen. Voice vote. AbouAssaly abstained. All ayes. Motion carried.

603: Designation of Depository Banks for FY20 *Motion 070-11-18*

MOTION by Wall to designate Farmer's State Bank with an authorized limit of \$30,000,000; Hills Bank with an authorized limit of \$30,000,000; Kerndt Brothers Bank with an authorized limit of \$2,000,000; and Iowa School Joint Investment Trust (ISJIT) with an authorized limit of \$50,000,000; as depositories of the district for the 2019-20 school year. Second by Lausen. Voice vote, all ayes. Motion carried.

604: Letting of Bids *Motion 071-11-18*

MOTION by Lausen to approve the letting of bus bids for a total cost not to exceed \$525,000. Second by Weaver. Voice vote, all ayes. Motion carried.

605: First Reading of Policy Recommendations – Exhibit 605.1 *Motion 072-11-18*

MOTION by Wall to approve the first reading of the policy recommendations, as presented. Second by AbouAssaly. Voice vote, all ayes. Motion carried.

1. 401.1 Code of Professional Conduct and Ethics
2. 701.9 School Bus Passenger Restraints
3. 701.10 School Bus Safety Instructions
4. 801.6 Inventory and Fixed Assets

606: Open Enrollment Requests *Motion 073-11-18*

MOTION by Lausen to approve the open enrollment requests, as presented. Second by Wall. Voice vote, all ayes. Motion carried.

Approved IN

Name	Grade	Resident District	Reason
Sykora, Kyron	2 nd	Cedar Rapids CSD	Good cause

Approved OUT

Name	Grade	Requested District	Reason
Duncan, Payton	9 th	CAM	Good cause
Miller, Alyssa	11 th	CAM	Good cause
Tanner, Daquan	2 nd	Marion Independent	Good cause
Walker, DaMarion	3 rd	Marion Independent	Good cause

Denied IN

Name	Grade	Resident District	Reason
Simmons, Trinity	7 th	Cedar Rapids CSD	Lack of space
Simmons, Noah	8 th	Cedar Rapids CSD	Lack of space

Denied OUT

Name	Grade	Requested District	Reason
Coghlen, Paige	9 th	Marion Independent	No good cause
Corio, Pedro	9 th	Cedar Rapids CSD	No good cause

700: Consent Agenda Motion 074-11-18

MOTION by Wall to approve the consent agenda, as presented. Second by Lausen. Weaver congratulated Terri Vogel on her retirement. Voice vote, all ayes. Motion carried.

701: Personnel**Certified Staff: Resignation**

Name	Assignment	Dept Action	Reason
Kraft, Bernard	Compass: Science Teacher	11/6/19	Personal
Schwartz-Hilliard, Siera	NE: Kindergarten Teacher	12/23/19	Relocation

Classified Staff: Assignment/Reassignment/Transfer

Name	Assignment	Dept Action	Salary Placement
Alaniva, Tracey	NS: WF General Help	11/5/19	PTNS, Step 1
Anderson, Diane	NS: HS General Help	11/11/19	PTNS, Step 1
Dellinger, Charles	TR: Bus Rider	10/27/19	Step 1
Kramer, Diane	From WF to LG Custodian	10/28/19	Same
Skvor, Kathleen	TR: Bus Rider	10/29/19	Step 1
Suchan, Judy	NS: BW General Help from 3.25 to 6.25 hours/day	10/29/19	Same
Taylor, Brandy	OR: Student Support Associate	11/5/19	LMSEAA II, Step 14
Torbert, Paul	WE: Student Support Associate	11/11/19	LMSEAA II, Step 25
Weaver, Amanda	BW: Student Support Associate	11/18/19	LMSEAA II, Step 10

Classified Staff: Resignation

Name	Assignment	Dept Action	Reason
Islas, Wendy	NS: HS General Help	11/11/19	Other Employment
Kack, Denise	BW: Building Secretary	11/4/19	Termination
McCombs, Corbin	O&M: Athletic Grounds/Facilities Coordinator	11/13/19	Personal
Paige, Deserae	OR: Student Support Associate	11/22/19	Personal
Thatcher, Jane	WE: Student Support Associate	10/25/19	Personal
Vogel, Terri	NE: Building Secretary	1/31/20	Retirement

Co/Extra-Curricular Staff: Assignment/Reassignment/Transfer

Name	Assignment	Dept Action	Salary Placement
Frangella, Nate	HS: Assistant 9 th Gr Boys' Basketball Coach	11/6/19	\$3,255
Sevening Christy	HS: Head Varsity Girls' Tennis Coach	11/6/19	\$4,340
Teagarden, Logan	HS: Assistant Boys' Soccer Coach	11/6/19	\$3,255
Witzel, Joni	HS: Assistant Girls' Basketball Coach	11/11/19	\$1,809

Co/Extra-Curricular Staff: Resignation

Name	Assignment	Dept Action	Reason
Senters, Travis	HS: Assistant Varsity Boys' Track Coach	11/6/19	Personal
Sunseri, Ken	HS: Assistant Varsity Girls' Track Coach	11/11/19	Personal

702: Approval of October 28th Minutes – Exhibit 702.1

703: Approval of November 12th Special Session Minutes – Exhibit 703.1

704: Approval of Bills – Exhibits 704.1

705: Approval of Contracts – Exhibits 705.1-11

1. Change order #4 with Larson Construction regarding Boulder Peak Intermediate
2. Professional services agreement amendment #1 with Hall & Hall Engineers for the Oak Ridge Track
3. Purchase agreement with the Association for Supervision and Curriculum Development (ASCD) Activate Professional Learning Network
4. Agreement with Bob Rogers Travel for the orchestra overnight trip to St Louis (*This trip was previously approved by the board during the 9/23/19 board meeting*)
5. Independent contractor agreement with Derek Anderson
6. Independent contractor agreement with Megan Callahan
7. Independent contractor agreement with Allen Chapman
8. Independent contractor agreement with Annie Chapman
9. Independent contractor agreement with Ryan Hoagland
10. Independent contractor agreement with John Schultz
11. Independent contractor agreement with Jonathan Govias
12. Interagency agreements for special education with Cedar Rapids CSD (30), Central City CSD (1), College CSD (1), and Eldora-New Providence CSD (1). *For student confidentiality, exhibits not provided.*

706: Informational Items

1. School Finance and Cash Balance Reports as of 10/31/18
2. School Finance and Cash Balance Reports as of 10/31/19

707: Disposition of Obsolete Equipment

Per Iowa Code (§§ 297.22-25) and school board policy 902.6, the district will list for sale obsolete equipment and furnishings on GovDeals.com. *Items for sale: metal foot sheer (1).*

800: Board Communications

Several board members thanked AbouAssaly for his service. AbouAssaly shared words of thanks to the board and district.

900: Adjournment Motion 075-11-18

MOTION by AbouAssaly to adjourn the annual meeting at 6:37 PM. Second by Lausen. Voice vote, all ayes. Motion carried.

Sondra Nelson, Board President

JT Anderson, Board Secretary/Treasurer

**School Board Organizational Meeting Agenda
November 18, 2019**

100: Call to Order and Determination of a Quorum

The Linn-Mar Community School District Board of Education organizational meeting was called to order at 7:00 PM in the boardroom of the Learning Resource Center (2999 N 10th St, Marion). Roll was taken to determine a quorum. Present: Buchholz, Isenberg, Lausen, Morey, Nelson, Wall, and Weaver.

200: Adoption of the Agenda *Motion 076-11-18*

MOTION by Weaver to adopt the agenda, as presented. Second by Lausen. Voice vote, all ayes. Motion carried.

300: New Business

301: Oath of Office

JT Anderson, Board Secretary/Treasurer, administered the oath of office to the newly-seated board.

302: Election of Board President & Administration of Oath *Motion 077-11-18*

MOTION by Weaver to approve Nelson as board president to serve a one-year term. Second by Lausen. Roll call vote, all ayes. Motion approved. *Anderson administered the oath of office.*

303: Election of Board Vice President & Administration of Oath *Motion 078-11-18*

MOTION by Lausen to approve Wall as board vice president to serve a one-year term. Second by Weaver. Roll call vote, all ayes. Motion carried. *Nelson administered the oath of office.*

304: Approval of 2019-20 Board Meeting Dates *Motion 079-11-18*

MOTION by Wall to approve the 2019-20 board meeting dates, as presented. Second by Lausen. Voice vote, all ayes. Motion carried.

December 9, 2019	May 4 & 18, 2020	October 9 & 23, 2020
January 13 & 27, 2020	June 8, 2020	September 9 & 23
February 10 & 24, 2020	July 13, 2020	October 14 & 28
March 9, 2020	August 10 & 24, 2020	November 9 & 23
April 6 & 20, 2020	September 14 & 28, 2020	

305: Designation of Board Representatives to District Committees/Advisories *Motion 080-11-18*

MOTION by Wall to approve the designated board committee/advisory reps for the 2019-20 school year. Second by Lausen. Voice vote, all ayes. Motion carried.

Committees/Advisories	2018-19 Representatives	2019-20 Representatives
Finance/Audit Committee	AbouAssaly, Lausen, and Nelson	Lausen, Morey, and Nelson
Policy/Governance Committee	Isenberg, Wall, and Weaver	Isenberg, Wall, and Weaver
Career & Technical Education Advisory Committee (CTE)	Nelson and Mehaffey	Buchholz, Morey, and Nelson
School Improvement Advisory Committee (SIAC)	AbouAssaly and Mehaffey	Isenberg and Morey
Facilities Advisory Committee	AbouAssaly and Nelson	Nelson and Weaver
Iowa BIG Advisory Board	Isenberg	Lausen
Community Promise	Wall	Wall
Linn County Conference Board	Lausen	Buchholz

400: Communications & Calendar

Words of welcome were shared with newest board members, Brittanica Morey and Barry Buchholz. Morey thanked everyone for the warm welcome. Weaver shared that Donna Smith, former Print Shop employee, passed away.

Date	Time	Event	Location
<i>Nov 18-22</i>	<i>All Day</i>	<i>American Education Week</i>	
<i>November 20</i>	<i>All Day</i>	<i>Nat'l Education Support Professionals Day</i>	
<i>Nov 20-21</i>	<i>All Day</i>	<i>IASB Annual Conference</i>	<i>Des Moines, Iowa</i>
November 21	5:30 PM	Marion City Council (<i>Weaver</i>)	City Hall
Date	Time	Event	Location
December 5	7:30 AM	Finance/Audit Committee	LRC Conf Room 203
December 5	5:30 PM	Marion City Council (<i>Buchholz</i>)	City Hall
December 9	5:00 PM	Board Regular Meeting	LRC Boardroom
<i>December 9</i>	<i>7:00 PM</i>	<i>Holiday Concert I</i>	<i>HS Auditorium</i>
December 12	7:30 AM	Board Visit	High School
<i>December 13</i>	<i>11:30 AM</i>	<i>SODA/TRY Officers' Luncheon</i>	<i>HS Auxiliary Gym</i>
December 19	5:30 PM	Marion City Council (<i>Wall</i>)	City Hall
<i>Dec 23-Jan 1</i>		<i>Winter Break</i>	

500: Adjournment Motion 081-11-18

MOTION by Lausen to adjourn the organizational meeting at 7:15 PM. Second by Morey. Voice vote, all ayes. Motion carried.

Sondra Nelson, Board President

JT Anderson, Board Secretary/Treasurer