

**Wauke Community School District  
Wauke, Iowa**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017





**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**WAUKEE COMMUNITY SCHOOL DISTRICT**

Waukee, Iowa

Fiscal Year Ended June 30, 2017

**OFFICIAL ISSUING REPORT**

Lora Appenzeller-Miller, Chief Financial Officer

**OFFICE ISSUING REPORT**

Business Office



Waukee Community School District  
 Table of Contents  
 June 30, 2017

|   | <u>Page</u>            |
|---|------------------------|
| <b><u>INTRODUCTORY SECTION</u></b>  |                        |
| Superintendent's Introduction   | 1                      |
| Letter of Transmittal   | 2-6                    |
| Organizational Chart  | 7                      |
| Board of Education and Board Attorney   | 8                      |
| School District Administration  | 9-10                   |
| Consultants, Advisers, and Official Depositories  | 11                     |
| Certificate of Excellence from the Association of School Business Officials of the United States and Canada                                       | 12                     |
| Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada | 13                     |
| <b><u>FINANCIAL SECTION</u></b>   |                        |
| Independent Auditor's Report  | 15-16                  |
| Management's Discussion and Analysis (MD&A)   | 17-24                  |
| <b><u>Basic Financial Statements:</u></b>   | <b><u>Exhibit</u></b>  |
| Government-Wide Financial Statements:   |                        |
| Statement of Net Position   | A 26-27                |
| Statement of Activities   | B 28-29                |
| Governmental Fund Financial Statements:   |                        |
| Balance Sheet   | C 30                   |
| Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position   | D 31                   |
| Statement of Revenues, Expenditures and Changes in Fund Balances  | E 32                   |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities        | F 33                   |
| Proprietary Funds Financial Statements:   |                        |
| Statement of Net Position   | G 34                   |
| Statement of Revenues, Expenses and Changes in Fund Net Position  | H 35                   |
| Statement of Cash Flows   | I 36                   |
| Fiduciary Fund Financial Statements:  |                        |
| Statement of Fiduciary Net Position   | J 37                   |
| Statement of Changes in Fiduciary Net Position  | K 38                   |
| Notes to Financial Statements   | 39-61                  |
| <b><u>Required Supplementary Information:</u></b>   |                        |
| Budgetary Comparison Statement of Revenues, Expenditures and Changes in Balances-Budget and Actual-All Governmental Funds and Proprietary Funds   | 64                     |
| Notes to Required Supplementary Information - Budgetary Reporting   | 65                     |
| Schedule of Funding Progress for the Retiree Health Plan  | 66                     |
| Schedule of District's Proportionate Share of the Net Pension Liability   | 67                     |
| Schedule of District's Contributions  | 68-69                  |
| Notes to Required Supplementary Information - Pension Liability   | 70                     |
| <b><u>Supplementary Information:</u></b>  | <b><u>Schedule</u></b> |
| Combining and Individual Fund Financial Statements and Schedules:   |                        |
| Non-major Governmental Funds:   |                        |
| Combining Balance Sheet   | 1 72                   |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances   | 2 73                   |
| Capital Projects Fund Accounts:   |                        |
| Combining Balance Sheet   | 3 74                   |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances   | 4 75                   |
| Proprietary Funds:  |                        |
| Combining Schedule of Net Position  | 5 76                   |
| Combining Schedule of Revenues, Expenses and Changes in Fund Net Position   | 6 77-78                |
| Combining Schedule of Cash Flows  | 7 79                   |

Waukee Community School District  
Table of Contents  
June 30, 2017

|  | <u>Page</u>            |
|--|------------------------|
| <b><u>FINANCIAL SECTION (CONTINUED)</u></b>  |                        |
| <b><u>Supplementary Information (Continued):</u></b>   | <b><u>Schedule</u></b> |
| Other Financial Schedules:   |                        |
| Schedule of Changes in Special Revenue Fund, Student Activity Accounts   | 8      80-81           |
| Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds   | 9      82              |
| <br><b><u>STATISTICAL SECTION (UNAUDITED)</u></b>  |                        |
| Net Position by Component  | 84                     |
| Changes in Net Position  | 85                     |
| Fund Balances, Governmental Funds  | 86                     |
| Changes in Fund Balances, Governmental Funds and Debt Service Ratio  | 87                     |
| General Fund Revenues, By Source   | 88                     |
| General Fund Expenditures, By Function   | 89                     |
| Government-Wide Revenues   | 90                     |
| Government-Wide Expenses, By Function  | 91                     |
| Comparison of Growth in General Fund Revenue, Expenditures, Enrollment, Assessed Valuation and Tax Rate  | 92                     |
| Ratio of Financial Condition   | 93                     |
| Property Tax Levies and Collections Summary  | 94                     |
| Property Tax Levies and Collections Detail   | 95                     |
| Taxable and 100% Values of Property  | 96-97                  |
| Tax Rates by Fund  | 98                     |
| Property Tax Rates per \$1,000 of Assessed Valuation, Direct and Overlapping Governments   | 99                     |
| Taxable Assessed Valuation by Property Type  | 100-101                |
| Comparison of Taxes and Intergovernmental Revenue  | 102                    |
| Principal Taxpayers in the Waukee Community School District  | 103                    |
| Comparative Ratio of General Bonded Debt to Assessed Values and Bonded Debt Per Capita   | 104                    |
| Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures   | 105                    |
| Legal Debt Margin Information  | 106-107                |
| Ratios of General Bonded Debt Outstanding  | 108                    |
| Computation of Overlapping and Direct Debt   | 109                    |
| Outstanding Debt, By Type  | 110                    |
| Pledged-Revenue Coverage   | 111                    |
| General Analysis of Facilities, Classrooms and Staffing  | 112-113                |
| District Staffing Levels   | 114                    |
| District and Area Unemployment Rates and Per Capita Income   | 115                    |
| Summary of Historical Retail Sales   | 116                    |
| Principal Employers in the District  | 117                    |
| District Population  | 118                    |
| Certified Resident Student Enrollment by Grade   | 119                    |
| Operating Cost per Pupil   | 120                    |
| <br><b><u>COMPLIANCE SECTION</u></b>   |                        |
| Schedule of Expenditures of Federal Awards   | 121                    |
| Notes to Schedule of Expenditures of Federal Awards  | 122                    |
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters<br>Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 123-124                |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over<br>Compliance Required by OMB Circular A-133  | 125-126                |
| Schedule of Findings and Questioned Costs  | 127-129                |

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We are a District with a dedication to all students and an unwavering commitment to a quality educational program. That commitment, along with a strong sense of community defines the work of the Board of Education for the Waukeee Community School District. In a time of ongoing funding restrictions and changing financial models, achieving these goals is a significant challenge.

Our shared vision statement is “Dedicated to optimizing individual learning and potential for success in a global community.” Honoring our vision keeps us focused on moving forward, closing any gap that may exist between our current reality and our vision. The District’s Guiding Principles, Vision and Mission Statement guide the allocation of resources to achieve our goals.

Iowa continues to fall short of fully funding the education formula for K-12 schools. In Waukeee, we will continue to allocate available resources to fulfill our mission and our commitment to students.

This report is a comprehensive financial record of the District for the fiscal year ended June 30, 2017. It reflects the conditions that have enabled the Waukeee Community School District to maintain a favorable financial picture – even during a period of challenging growth. Among the enabling conditions are:

We have a highly dedicated and skilled team of teachers, staff, and administrators.

We have a highly effective Board of Education and a very supportive community.

We work in an atmosphere where everyone is encouraged to work at their highest level in a collaborative environment.

As you examine this report, you will see a pattern of on-going financial strength that we hope to continue into the future. We welcome your questions and suggestions. We will continue to learn together to build on our success as a learning community for the future.

Respectfully Submitted,



Cindi McDonald  
Superintendent

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Members of the Board of Education  
Waukee Community School District  
Patrons of the Waukee Community School District  
Waukee, Iowa

The Comprehensive Annual Financial Report (CAFR) for the Waukee Community School District for the fiscal year ended June 30, 2017 is submitted herewith. Responsibility for accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District Office of Administrative Services. We believe the data is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position of the governmental activities, business type activities, each major fund, the aggregate remaining fund information and the respective changes in financial position and cash flows where applicable; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

The Comprehensive Financial Annual Report is presented in four sections: introductory, financial, statistical, and compliance. The introductory section, which is unaudited, includes this transmittal letter, a list of principal District officials, and an organizational chart. The financial section includes the management's discussion and analysis, audited basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules, as well as the independent auditor's report. The statistical section, which is un-audited, includes selected financial and demographic information, generally presented on a multi-year basis. The compliance section contains the schedule of expenditures of federal awards and audit findings. We encourage readers to refer to all four sections of the report, including the Management's Discussion and Analysis in the financial section, which gives a more detailed summary of the District's financial performance.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*.

The report includes all funds of the Waukee Community School District. The Waukee Community School District has no component units that meet the Governmental Accounting Standards Board criteria. The District provides a full range of services including instructional, administrative, transportation, food service, maintenance of sites and facilities, custodial, clerical, extra and co-curricular and athletic and activities.

This CAFR has been prepared using the guidelines recommended by the Association of School Business Officials International (ASBO) and Government Finance Officers Association of the United States and Canada (GFOA). Certificates of Excellence are awarded to school systems that have presented their CAFR to the GFOA and ASBO Panels of Review for critical review and evaluation. Receiving these awards are recognition that a school system has met the highest standards of excellence in school financial reporting. The standards used in the "Certificate of Excellence Program" and "Certificate of Achievement Program" are based on generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). We will actively pursue these awards through the efforts of the entire Waukee Team. The Waukee Community School District received the ASBO certificate for its comprehensive annual financial report for the fiscal years ending June 30, 2004, 2005, 2006, 2007, 2008, 2010, 2011, 2012, 2013, 2014, 2015, and 2016. The Waukee Community School District received the GFOA certificate for its comprehensive annual financial report for the fiscal years ending June 30, 2012, 2013, 2014, 2015 and 2016.



## BASIS OF ACCOUNTING

The District’s accounting records were maintained on a modified accrual basis. These accounting policies are enumerated in the notes to the financial statements. All the District’s funds are presented in this report and have been audited by the District’s independent certified public accountants, Van Maanen, Sietstra, Meyer & Nikkel, P.C.

The chart of accounts used by the District is in conformance with the Uniform Accounting System for Iowa Schools and Area Education Agencies issued November 1975 and updated in 2009, by the Iowa Department of Education. The chart of accounts manual is updated on an annual basis. The District is in full compliance with these requirements.

## ECONOMIC CONDITION AND OUTLOOK

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook is stable. The Waukee Community School District has been and is currently the fastest growing school district in the state of Iowa and the growth projections are expected to continue. Certified enrollment for fiscal 2016-17 was 10,027.34 students. This is an increase of 578.63 over 2015-16. Taxable assessed value continues to grow even during the current slow economic environment. The economy in the state has improved slightly the past year and this continues to impact revenue for public education. While the unemployment rate in the greater Des Moines has consistently remained lower than national averages, the economy has been slow to rebound. Retail sales in the greater Des Moines have leveled but remain strong. The City of West Des Moines continues to grow as does the City of Waukee. District taxable assessed valuations have continued steady growth to over \$3.5 billion for January 2016 values.

Based on conservative projections, this trend is expected to continue. While having a positive impact, the growth also presents significant challenges for the District. The District utilizes the optional instructional support levy at a level deemed appropriate and will need to continue a high level of efficient use of human resources and facilities. The following table shows the projected enrollment and age of school buildings.

| School                    | Grade Levels | Dates of Construction / Remodeling | Enrollment for 2017-18 | Enrollment for 2018-19 | Enrollment for 2019-20 |
|---------------------------|--------------|------------------------------------|------------------------|------------------------|------------------------|
| Waukee High School        | 10-12        | 1997, 2000, 2001, 2007, 2011       | 1872                   | 1904                   | 2054                   |
| Prairieview               | 8-9          | 2003, 2009                         | 710                    | 733                    | 763                    |
| Timberline                | 8-9          | 2015                               | 707                    | 704                    | 749                    |
| Waukee Middle School      | 6-7          | 1974, 1977, 1987, 1994, 1999, 2008 | 771                    | 802                    | 894                    |
| South Middle School       | 6-7          | 2010                               | 804                    | 812                    | 860                    |
| Brookview Elementary      | K-5          | 2001, 2002                         | 636                    | 642                    | 654                    |
| Eason Elementary          | K-5          | 1994, 2002                         | 587                    | 628                    | 634                    |
| Grant Ragan Elementary    | K-5          | 2017                               | 703                    | 719                    | 785                    |
| Maple Grove Elementary    | K-5          | 2007                               | 754                    | 663                    | 667                    |
| Shuler Elementary         | K-5          | 2010                               | 700                    | 690                    | 713                    |
| Walnut Hills Elementary   | K-5          | 2005                               | 629                    | 608                    | 610                    |
| Waukee Elementary         | K-5          | 2010                               | 704                    | 724                    | 735                    |
| Woodland Hills Elementary | K-5          | 2013                               | 581                    | 602                    | 668                    |

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. An article in the September 27, 2007 edition of the Des Moines Register quoted a report from the Bureau of Economic Analysis showing the Des Moines Metropolitan area ranking 24<sup>th</sup> in the United States in terms of gross domestic product. The report also showed the area as the fastest growing municipal economy in the country increasing 7.2% since 2004. Retail, commercial and residential property values continue to grow. Assessed values of the District are conservatively projected to increase by 5-10% or more in the near term. In the fall of 2004, a new 250-acre retail shopping mall opened within the boundaries of the District and is expected to generate eighty million dollars in revenue annually. Wells Fargo opened its national mortgage headquarters in West Des Moines and currently employs in excess of 1,000. Athena has located its North American headquarters within the boundaries of our school district with employment projections rivaling Wells Fargo. Areas surrounding the Jordan Creek Town Center continue to grow and add new retail and commercial property. The Waukee Community School District is the largest district in Dallas County with over one-half of the county's students. Waukee Community School District participates in the statewide sales tax pool that is allocated to the District on a per pupil basis.

### MAJOR INITIATIVES

**Current year.** The District implemented a 10-year plan for facilities and continues to utilize a 5-year plan for finances. The District's rapid growth, limited resources and the need to clearly outline and prioritize site and facility needs in chronological order necessitate the plans. The District issued General Obligation Capital Loan Notes to finance building a new Centralized Transportation Facility and to purchase the land for the second high school. The transportation facility will also have a central receiving location, as well as a shared fueling station with the City of Waukee. Both the Transportation and Central Receiving buildings were completed and opened in 2017. The Waukee Innovation and Learning Center (WILC) facility project was completed as well.

**Future Considerations.** The 10-year facility plan and accompanying demographic information concluded that student enrollment and tax base would continue to increase at a rapid pace. This study showed the need for additional space at the current high school by the fall of 2019. The District is working with the City of Waukee for the development of the site for the second high school. The District will have a referendum to go before the voters in February 2018 to approve the construction of the second high school. The District issued \$14.7 million in Sales, Services and Use Tax Revenue Bonds to finance building Radiant Elementary. The District also plans to purchase land for the 10<sup>th</sup> Elementary.

### DEBT ADMINISTRATION

The ratio of net indebtedness to assessed valuation and the amount of indebtedness per capita are useful indicators of the District's debt position. The 2017 fiscal year data shows a total outstanding indebtedness on June 30 of \$181,765,000 with a ratio of debt to 100% taxable, actual, assessed valuation of 3.17%. During FY 2017, \$16,675,000 of outstanding debt was paid and an additional \$30,915,000 of new debt issued. In the near future as assessed valuation and District population rise and total indebtedness decrease, these economic indicators will reflect a very favorable financial position.

The above indebtedness of \$181,765,000 is a result of general obligation bonds issued April 2008, May 2009, April 2010, July 2011, June 2012, July 2014, August 2014, March 2015 and October 2016. Capital loan notes were issued in May 2017. Revenue bonds were issued in June 2012, July 2013, April 2014 and June 2015. The district will advance fund bonds to reduce outstanding debt during the next fiscal year.

## FINANCIAL INFORMATION

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

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

As a part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal awards programs. The results of the District's single audit for the fiscal year ended June 30, 2017, provided no instances of material weaknesses in the internal control or violations of applicable laws and regulations.

Budgetary Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, enterprise funds and capital projects funds are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by program level for all funds combined rather than at the individual fund level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the fiscal year's end. However, encumbrances generally are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

## BASIS OF PRESENTATION

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

## OTHER INFORMATION

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

## ACKNOWLEDGEMENT

The preparation of this report on a timely basis could not have been accomplished without the effort of the accounting staff and our auditors, Van Maanen, Sietstra, Meyer & Nikkel, P.C. We would like to express our appreciation to all staff members who assisted and contributed to this report. Also, appreciation is expressed for the interest and support of the Board of Education in conducting the financial operations of the District in a most responsible and progressive manner.

Respectfully submitted,



Cindi McDonald  
Superintendent



Lora Appenzeller Miller  
Chief Financial Officer



Waukee Community School District  
Board of Education and Board Attorney  
Year Ended June 30, 2017

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| <u>Name</u>               | <u>Title</u>    | <u>Term Expires</u> |
|---------------------------|-----------------|---------------------|
| <b>Board of Education</b> |                 |                     |
| Susan Bunz                | President       | 2017                |
| David Cunningham          | Vice President  | 2017                |
| Patrick Nehls             | Board Member    | 2017                |
| Wendy Liskey              | Board Member    | 2017                |
| Jerry Ripperger           | Board Member    | 2017                |
| Ethan Husiman             | Board Member    | 2018                |
| Mary Scheve               | Board Member    | 2018                |
| <b>Board Attorney</b>     |                 |                     |
| Ahlers & Cooney, P.C.     | School Attorney | Indefinite          |

Waukee Community School District  
School District Administration  
Year Ended June 30, 2017

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| <u>Name</u>             | <u>Position</u>                         |
|-------------------------|---|
| Cindi McDonald          | Superintendent                          |
| Terry Hurlburt          | Associate Superintendent                |
| Kirk Johnson            | Associate Superintendent                |
| Lora Appenzeller-Miller | Chief Financial Officer                 |
| Eric Rose               | Chief Operations Officer                |
| Peg Erke                | Director of Student Services            |
| Lindsay Law             | Director of Teaching & Learning         |
| Ali Locker              | Director of Teaching & Learning         |
| Stacie DeHaan           | Director of Instructional Services      |
| Mark Toland             | Director of Technology                  |
| Keith Elmquist          | Director of Operations                  |
| Jeannie Allgood         | Director of Nutrition Services          |
| Jeff Longman            | Director of Community Education         |
| Andrea Wilmes           | Director of Childcare Services          |
| Tim Bloom               | Director of Business Services           |
| Terry Welker            | Director of Human Resources             |
| Cary Justmann           | High School Principal                   |
| Judi Roland             | Associate High School Principal         |
| Joshua Smith            | Assistant High School Principal         |
| Nate Zittergruen        | Assistant High School Principal         |
| Michelle Hill           | Executive Director of CAPS              |
| Brady Fleming           | Timberline Principal                    |
| Mark Stallman           | Assistant Timberline Principal          |
| Juley Murphy-Tiernen    | Prairieview Principal                   |
| Amy Bidwell             | Assistant Prairieview Principal         |
| Doug Barry              | South Middle School Principal           |
| Clay Young              | Assistant Principal South Middle School |
| Adam Shockey            | Middle School Principal                 |
| Susan Anderson          | Assistant Middle School Principal       |
| Nicole Tjaden           | Waukee Elementary Principal             |
| Clint Prohaska          | Eason Elementary Principal              |
| Stephanie Angelino      | Brookview Elementary Principal          |
| Lyndsay Marron          | Walnut Hills Elementary Principal       |
| Kim Tierney             | Maple Grove Principal                   |
| Karen Allison           | Shuler Elementary Principal             |
| Scott Shumaker          | Woodland Hills Elementary Principal     |
| Katie Ferguson          | Grant Ragan Elementary Principal        |

Waukee Community School District  
School District Administration  
Year Ended June 30, 2017

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| <u>Name (Continued)</u> | <u>Position</u>                    |
|-------------------------|------------------------------------|
| Anna Taggart            | Assistant Elementary Principal     |
| Matt Robie              | Assistant Elementary Principal     |
| Allison Salow           | Assistant Elementary Principal     |
| Haley Topp              | Assistant Elementary Principal     |
| Jim Duea                | Director of Athletics & Activities |
| Todd Schneiter          | Assistant Director of Athletics    |



Waukee Community School District  
Consultants, Advisers, and Official Depositories  
Year Ended June 30, 2017

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**Consultants and Advisors:**

Certified Public Accountants:

Van Maanen, Sietsra & Meyer, PC  
705 Main St.  
Pella, IA 50219

Bond Attorney:

Ahlers & Cooney, P.C.  
100 Court Avenue, Suite 600  
Des Moines, Iowa 50309-2231

Financial Consultant:

The PFM Group  
801 Grand Ave, Ste 3300  
Des Moines, Iowa 50309-3800

General Counsel:

Ahlers & Cooney, P.C.  
100 Court Avenue, Suite 600  
Des Moines, Iowa 50309-2231

Property/Casualty Insurance Agent:

Insurance Associates  
2501 Westown Parkway, Suite 1104  
West Des Moines, Iowa 50266-1438

Benefits Insurance Broker:

Mercer Advantage  
1776 West Lakes Parkway - SS2  
West Des Moines, Iowa 50266

**Official Depositories:**

Wells Fargo, Iowa  
110 Highway 6  
Waukee, Iowa 50263

First American Bank  
45 N. Warrior Lane  
Waukee, Iowa 50263

Iowa School Joint Investment Trust  
P.O. Box 71158  
Clive Iowa 50325-0158

The Education Liquidity Fund  
1415 28th St., Suite 200  
Century Building  
West Des Moines, Iowa 50266-1456



The Certificate of Excellence in Financial Reporting  
is presented to

## Waukee Community School District

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

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

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

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

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

Presented to

**Waukee Community School District**

**Iowa**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO





705 Main Street  
Pella, IA 50219  
Ph.: 641-628-3737  
Fax: 641-628-3757

[www.vanmaanencpa.com](http://www.vanmaanencpa.com)

**Van Maanen, Sietstra, Meyer & Nikkel, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

## Independent Auditor's Report

To the Board of Education  
Waukee Community School District  
Waukee, 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 Waukee Community School District, Waukee, Iowa, as of and for the year ended June 30, 2017, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements 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 U.S. generally accepted accounting principles. 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 U.S. generally accepted auditing standards 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 District'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 District'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 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 Waukee Community School District as of June 30, 2017, and the respective changes in financial position and where applicable cash flows, thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

*Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 17 through 24 and 66 through 72 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 which considers it to be an essential part of the 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 U.S. generally accepted auditing standards, 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.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waukeee Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2016, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by Title 2, *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated =====, on our consideration of the Waukeee Community School 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 Waukeee Community School District's internal control over financial reporting and compliance.

*Van Maanen, Sietstra, Meyer & Nikkel PC*

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Van Maanen, Sietstra, Meyer & Nikkel, PC  
Certified Public Accountants

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It is with great pleasure, we present to you the financial picture of Waukee Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Waukee Community School District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**2017 Financial Highlights**

The District showed a government wide increase in net position of \$16,287,276 during the year ended June 30, 2017.

Governmental activities revenues increased from \$116,928,529 in fiscal year 2016 to \$131,686,678 in 2017. General revenues increased from \$99,528,308 in fiscal year 2016 to \$112,764,047 in 2017. Program revenues increased from \$17,400,221 in 2016 to \$18,922,531 in 2017. The business type activities revenues increased from \$7,487,207 in fiscal year 2016 to \$7,863,998 in 2017.

As of June 30, 2017, unassigned fund balance for the General Fund was \$9,742,758 or 10.26% of General Fund expenditures. The financial solvency ratio for the year ended June 30, 2017 was 9.85%, which is an increase of 2.31% over the previous year. This increase is due to budget reductions from the current year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Waukee Community School District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

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

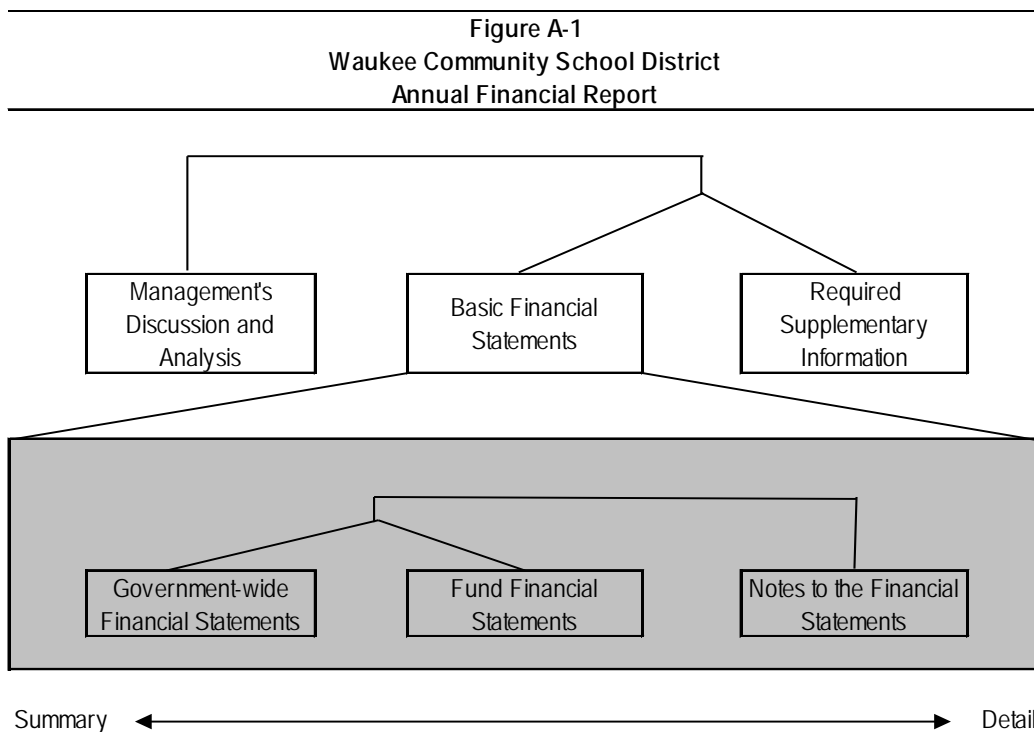


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents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

**Figure A-2**  
**Major Features of the Government-wide and Fund Financial Statements**

|  | Government-wide Statements   | Fund Statements  |  |   |
|--|--|--|--|---|
|  |  | Governmental Funds   | Proprietary Funds  | Fiduciary Funds   |
| Scope  | Entire District (except fiduciary funds)   | The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance   | Activities the District operates similar to private businesses: food services and adult education  | Instances in which the District administers resources on behalf of someone else, such as scholarship programs                                     |
| Required financial statements                | <ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul> | <ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>  | <ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul> | <ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul> |
| 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, 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 deferred outflow/ inflow information | Consumption/ acquisition of net position that is applicable to a future reporting period                         | Consumption/ acquisition of fund balance that is applicable to a future reporting period   | Consumption/ acquisition of net position that is applicable to a future reporting period   | Consumption/ acquisition of net position that is applicable to a future reporting period  |
| Type of inflow/ outflow information          | All revenues and expenses during year, regardless of when cash is received or paid                               | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due 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   |

**Government-wide financial statements** - The government-wide financial statements are designed to provide readers with a broad overview of Waukee Community School District's finances in a manner similar to a private-sector business. The statement of net position presents information on all Waukee Community School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements reflect functions of the Waukee Community School District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional services, other and interest on long-term debt. Business type activities are those that the District charges a fee to help cover the costs, such as School Nutrition.



The government-wide financial statements include only Waukeee Community School District. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Waukeee Community School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary fund and fiduciary funds.

*Governmental funds* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Waukeee Community School District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service and Capital Projects Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 30 through 33 of this report.

*Proprietary fund* – The District maintains two types of proprietary fund, the enterprise fund and internal services funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains two non-major enterprise funds. Internal service funds are used to report the same functions presented as governmental activities in the government-wide financial statements. The District maintains three internal service funds to account for the premium and claim payments for the self-funded health insurance and dental insurance plans, as well as flexible benefits for the District's employees. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. Because the service provided by the District predominately benefits governmental, rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 34 through 36 of this report.

*Fiduciary funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Waukeee Community School District's own programs. The fiduciary funds of the District are private purpose trust funds. The District accounts for outside donations for scholarships for individual students in this fund.

The basic fiduciary fund financial statements can be found on pages 37 through 38 of this report.

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Waukeee Community School District's budgetary comparison for the year, the proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan. Required Supplemental Information can be found on pages 61 through 68 of this report.

Other Supplementary Information provides detailed information about the non-major governmental and proprietary funds.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's total net position has increased from a year ago from \$89,488,372 to \$106,095,365.

A significant portion of the District's total assets reflects the investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net investment in capital assets was \$89,289,657. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Figure A-3 below provides a summary of the District's net position at June 30, 2017 compared to June 30, 2016.

|                                       | Governmental activities |                    | Business type activities |                  | Total              |                    | Total Change  |
|---------------------------------------|-------------------------|--------------------|--------------------------|------------------|--------------------|--------------------|---------------|
|                                       | June 30,                |                    | June 30,                 |                  | June 30,           |                    | June 30,      |
|                                       | 2017                    | 2016               | 2017                     | 2016             | 2017               | 2016               | 2016-2017     |
| Current assets                        | \$ 163,957,101          | 136,981,101        | 4,315,721                | 3,910,156        | 168,272,822        | 140,891,257        | 19.43%        |
| Capital assets, net                   | 243,194,231             | 230,482,734        | 2,025,458                | 2,214,513        | 245,219,689        | 232,697,247        | 5.38%         |
| <b>Total assets</b>                   | <b>407,151,332</b>      | <b>367,463,835</b> | <b>6,341,179</b>         | <b>6,124,669</b> | <b>413,492,511</b> | <b>373,588,504</b> | <b>10.68%</b> |
| <b>Deferred outflows of resources</b> | <b>23,291,648</b>       | <b>14,665,557</b>  | <b>1,223,107</b>         | <b>768,075</b>   | <b>24,514,755</b>  | <b>15,433,632</b>  | <b>58.84%</b> |
| Current liabilities                   | 30,909,838              | 31,222,733         | 347,994                  | 272,151          | 31,257,832         | 31,494,884         | -0.75%        |
| Noncurrent liabilities                | 224,566,949             | 197,609,066        | 2,805,663                | 2,125,186        | 227,372,612        | 199,734,252        | 13.84%        |
| <b>Total liabilities</b>              | <b>255,476,787</b>      | <b>228,831,799</b> | <b>3,153,657</b>         | <b>2,397,337</b> | <b>258,630,444</b> | <b>231,229,136</b> | <b>11.85%</b> |
| <b>Deferred inflow of resources</b>   | <b>72,969,895</b>       | <b>67,585,802</b>  | <b>311,562</b>           | <b>399,109</b>   | <b>73,281,457</b>  | <b>67,984,911</b>  | <b>7.79%</b>  |
| Net Position:                         |                         |                    |                          |                  |                    |                    |               |
| Net investment in capital assets      | 87,264,199              | 77,596,227         | 2,025,458                | 2,214,513        | 89,289,657         | 79,810,740         | 11.88%        |
| Restricted                            | 35,721,829              | 30,913,099         | -                        | -                | 35,721,829         | 30,913,099         | 15.56%        |
| Unrestricted                          | (20,989,730)            | (22,797,535)       | 2,073,609                | 1,881,785        | (18,916,121)       | (20,915,750)       | -9.56%        |
| <b>Total Net Position</b>             | <b>\$ 101,996,298</b>   | <b>85,711,791</b>  | <b>4,099,067</b>         | <b>4,096,298</b> | <b>106,095,365</b> | <b>89,808,089</b>  | <b>18.14%</b> |

The restricted portion of the District's net position (33.67%) represents resources that are subject to external restrictions on how they may be used. These restrictions include \$1,737,788 for categorical funding, \$6,525,266 for debt service, \$1,637,683 for management levy purposes, \$515,602 for student activities, \$20,881,936 for school infrastructure and \$4,423,554 for physical plant and equipment. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to students and creditors.

At the end of the last fiscal year, the Waukeel Community School District was unable to report positive balances in all three categories of net position. GASB 68 was implemented creating a deficit unrestricted net position. It should be noted that this is a book entry of a negative amount and not an actual deficit of cash.

The District's total net position increased by \$16,287,276 or 18.14%, during the current fiscal year. The total net investment in capital assets increased 11.88%. The governmental activities net position increased by \$16,284,507. Business type activities net position increased by \$2,769.

Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2017 as compared to the fiscal year ended June 30, 2016. These two main components are subtracted to yield the change in net position. This table utilized the full accrual method of accounting. Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for services and sales, operating and capital grants and contributions. General Revenue includes taxes and unrestricted grants such as state foundation support.

|  | Governmental activities |                    | Business type activities |                  | Total District     |                    | Total Change  |
|--|-------------------------|--------------------|--------------------------|------------------|--------------------|--------------------|---------------|
|  | June 30,                |                    | June 30,                 |                  | June 30,           |                    | June 30,      |
|  | 2017                    | 2016               | 2017                     | 2016             | 2017               | 2016               | 2016-2017     |
| <b>Revenues:</b>                         |                         |                    |                          |                  |                    |                    |               |
| Program revenues:                        |                         |                    |                          |                  |                    |                    |               |
| Charges for services                     | \$ 3,489,674            | 3,566,562          | 6,324,058                | 6,105,985        | 9,813,732          | 9,672,547          | 1.46%         |
| Operating grants and contributions       | 15,432,857              | 13,833,659         | 1,528,936                | 1,378,531        | 16,961,793         | 15,212,190         | 11.50%        |
| General Revenues:                        |                         |                    |                          |                  |                    |                    |               |
| Property and other taxes                 | 59,674,862              | 52,002,933         | -                        | -                | 59,674,862         | 52,002,933         | 14.75%        |
| Statewide sales and services tax         | 9,020,585               | 8,351,818          | -                        | -                | 9,020,585          | 8,351,818          | 8.01%         |
| Unrestricted state grants                | 42,605,274              | 38,074,578         | -                        | -                | 42,605,274         | 38,074,578         | 11.90%        |
| Unrestricted investment earnings         | 509,334                 | 144,168            | 11,004                   | 2,691            | 520,338            | 146,859            | 254.31%       |
| Other                                    | 953,992                 | 954,811            | -                        | -                | 953,992            | 954,811            | -0.09%        |
| Total revenues                           | <u>131,686,578</u>      | <u>116,928,529</u> | <u>7,863,998</u>         | <u>7,487,207</u> | <u>139,550,576</u> | <u>124,415,736</u> | <u>12.16%</u> |
| <b>Expenses:</b>                         |                         |                    |                          |                  |                    |                    |               |
| Program expenses:                        |                         |                    |                          |                  |                    |                    |               |
| Instruction                              | 65,743,252              | 59,495,975         | -                        | -                | 65,743,252         | 59,495,975         | 10.50%        |
| Support services                         | 33,355,924              | 30,119,154         | 353,231                  | 322,355          | 33,709,155         | 30,441,509         | 10.73%        |
| Non-instructional programs               | -                       | -                  | 7,704,728                | 7,148,158        | 7,704,728          | 7,148,158          | 7.79%         |
| Other                                    | 9,734,542               | 8,540,196          | -                        | -                | 9,734,542          | 8,540,196          | 13.98%        |
| Debt service                             | 6,371,623               | 5,440,115          | -                        | -                | 6,371,623          | 5,440,115          | 17.12%        |
| Total expenses                           | <u>115,205,341</u>      | <u>103,595,440</u> | <u>8,057,959</u>         | <u>7,470,513</u> | <u>123,263,300</u> | <u>111,065,953</u> | <u>10.98%</u> |
| Changes in Net Position before Transfers | 16,481,237              | 13,333,089         | (193,961)                | 16,694           | 16,287,276         | 13,349,783         | 22.00%        |
| Transfers                                | (196,730)               | (560,140)          | 196,730                  | 560,140          | -                  | -                  | 0.00%         |
| Changes in Net Position                  | 16,284,507              | 12,772,949         | 2,769                    | 576,834          | 16,287,276         | 13,349,783         | 22.00%        |
| Net Position beginning of year           | 85,711,791              | 72,938,842         | 4,096,298                | 3,519,464        | 89,808,089         | 76,458,306         | 17.46%        |
| Net Position end of year                 | <u>101,996,298</u>      | <u>85,711,791</u>  | <u>4,099,067</u>         | <u>4,096,298</u> | <u>106,095,365</u> | <u>89,808,089</u>  | <u>18.14%</u> |

Expenses are shown in programs including instruction, support services, non-instructional programs, other and debt service.

The number of students served by the District increased by 579 students, or a 6.13% increase over the prior year. This accounts for the across the board increase in revenues and expenses in both governmental activities and business-type activities. Investment earnings increased 254.31% due to increased availability of investment capital for longer periods of time and more favorable interest rates. Statewide sales tax increased by 8.01% due to an overall growth in statewide sales and services tax and due to increased number of students.

**Governmental Activities** – Figure A-5 below discloses the total and net cost of services for the District’s major governmental activities, instruction, support services, non-instructional programs, other and debt service expenses, for the year ended June 30, 2017 compared to the year ended June 30, 2016. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by state aid and local taxes. The difference in these two columns would represent restricted grants and services. Net cost of services is 83.57% of total cost of services in 2017.

|                  | Total Cost of Services |             |           | Net Cost of Services |            |           |
|------------------|------------------------|-------------|-----------|----------------------|------------|-----------|
|                  | June 30,               |             |           | June 30,             |            |           |
|                  | 2017                   | 2016        | 2016-2017 | 2017                 | 2016       | 2016-2017 |
| Instruction      | \$ 65,743,252          | 59,495,975  | 10.50%    | 51,493,826           | 46,495,100 | 10.75%    |
| Support services | 33,355,924             | 30,119,154  | 10.75%    | 32,819,520           | 29,481,551 | 11.32%    |
| Other            | 9,734,542              | 8,540,196   | 13.98%    | 5,597,841            | 4,778,453  | 17.15%    |
| Debt service     | 6,371,623              | 5,440,115   | 17.12%    | 6,371,623            | 5,440,115  | 17.12%    |
|                  | \$ 115,205,341         | 103,595,440 | 11.21%    | 96,282,810           | 86,195,219 | 11.70%    |

**Business Type Activities** – Revenues for business type activities during the year ended June 30, 2017 were \$7,863,998 representing, an 5.03% increase over the prior year, while expenses totaled \$8,057,959, an 7.86% increase over the prior year. The District’s business type activities include the School Nutrition Fund and Community Education Fund.

**Individual Fund Analysis**

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

**Governmental Funds** – The focus of the Waukee Community School District’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Waukee Community School District’s governmental funds reported combined ending balances of \$79,311,891, an increase of \$20,283,560 in comparison with the prior year. Approximately 12.28% of this total amount or \$9,742,758 constitutes unassigned fund balance and is available for spending at the government’s discretion. The remainder of the fund balance is non-spendable or restricted. Restricted net position represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The non-spendable fund balance of \$27,453 is in inventories. Restricted fund balances consist of \$1,737,788 for categorical funding, \$39,939,750 for debt service, \$2,043,050 for management levy purposes, \$515,602 for student activities, \$20,881,936 for school infrastructure and \$4,423,554 for physical plant and equipment.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$9,742,758, while total fund balance reached \$11,507,999. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures. Unassigned fund balance represents 10.26% of total General Fund expenditures.

The fund balance of the District’s General Fund increased \$3,680,553 during the current fiscal year. This increase was anticipated and was due to budget reductions as well as additional cash reserve levy to fund increased staff costs from the increase of students enrolled. The State of Iowa did increase supplemental state aid 2.25% for 2016-17, the amount the District receives per student.

The District’s other major funds include the Debt Service Fund and the Capital Projects Fund. The Debt Service fund balance increased \$32,878,179 due the crossover advance funding. The \$32 million is set aside in account with the fiscal agent and will be removed from the books in 2019 when the bonds are called and the crossover occurs. The Capital Projects fund balance decreased \$15,334,416 due to the spending of bond proceeds. The District issued \$13,655,000 in general obligation capital loan notes in May 2016, to finance capital facility construction of a Centralized Transportation Facility and purchase land for a second high school. The transportation facility will include a central receiving building, as well as a fueling station, that will be shared with the City of Waukee. All were completed during the year.

## Budgetary Highlights

As allowed by GASB Statement No. 41, *Budgetary Comparison-Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget for all funds except agency funds as described in the note to required supplementary information.

A comparison of the actual expenditures/expenses of the District's budgeted funds with the final budget amounts is as follows:

|                            | Budget-<br>Original   | Budget-<br>Final   | Actual             | Variance          |
|----------------------------|-----------------------|--------------------|--------------------|-------------------|
| Instruction                | \$ 67,010,750         | 67,010,750         | 64,507,600         | 2,503,150         |
| Support services           | 33,210,500            | 33,210,500         | 30,067,385         | 3,143,115         |
| Non-instructional programs | 8,050,000             | 8,050,000          | 7,704,728          | 345,272           |
| Other                      | 60,911,487            | 60,911,487         | 47,593,656         | 13,317,831        |
|                            | <u>\$ 169,182,737</u> | <u>169,182,737</u> | <u>149,873,369</u> | <u>19,309,368</u> |

## Capital Assets and Debt Administration

**Capital Assets** – The following table shows ending balances of capital assets invested in various categories. The District recognized a total net increase of \$12,522,442. The increase can be attributed to completion of the Grant Ragan Elementary building project, Waukee Innovation and Learning Center building project, Bus Barn building project, Operations building project, Park Road paving project and Brookview Elementary roof project. Construction in progress not completed at June 30 also impacted the increase. Projects underway include the Radiant Elementary building project, High School CCTV project, District-wide security upgrades and Waukee Middle School HVAC project.

Figure A-6  
Capital Assets, Net of Depreciation

|                                   | Governmental activities |                    | Business Type activities |                  | Total District     |                    | Total Change |
|-----------------------------------|-------------------------|--------------------|--------------------------|------------------|--------------------|--------------------|--------------|
|                                   | June 30,                |                    | June 30,                 |                  | June 30,           |                    | June 30,     |
|                                   | 2017                    | 2016               | 2017                     | 2016             | 2017               | 2016               | 2016-2017    |
| Land                              | \$ 12,257,312           | 8,334,281          | -                        | -                | 12,257,312         | 8,334,281          | 47.07%       |
| Improvements other than buildings | 3,981,078               | 3,622,792          | -                        | -                | 3,981,078          | 3,622,792          | 9.89%        |
| Buildings and improvements        | 222,480,705             | 186,147,687        | -                        | -                | 222,480,705        | 186,147,687        | 19.52%       |
| Furniture and equipment           | 2,004,362               | 1,981,947          | 2,025,458                | 2,214,513        | 4,029,820          | 4,196,460          | -3.97%       |
| Construction in progress          | 2,470,774               | 30,396,027         | -                        | -                | 2,470,774          | 30,396,027         | -91.87%      |
| Total                             | <u>\$ 243,194,231</u>   | <u>230,482,734</u> | <u>2,025,458</u>         | <u>2,214,513</u> | <u>245,219,689</u> | <u>232,697,247</u> | <u>5.38%</u> |

Additional information about the District's capital assets can be found in note 5 to the financial statements.

**Debt** – As of June 30, 2017, the Waukee Community School District had general obligation bonds, capital loan notes and revenue bonds outstanding principal balance totaling \$181,765,000. In the current year, the District paid \$13,880,000 in principal and \$7,206,562 in interest.

As of June 30, 2017, the District's available debt limit was \$286,821,875 which leaves a legal debt margin of \$105,056,875 once the current year applicable general obligation and capital loan debt is applied.

**Figure A-7**  
**Long-term Debt Obligations**

|                                     | Total<br>School District |                    | Total<br>Change |
|-------------------------------------|--------------------------|--------------------|-----------------|
|                                     | June 30,                 |                    | June 30,        |
|                                     | 2017                     | 2016               | 2016-2017       |
| General obligation bonds            | \$ 109,765,000           | 90,630,000         | 21.11%          |
| Revenue bonds                       | 59,320,000               | 63,240,000         | -6.20%          |
| Capital loan notes                  | 12,680,000               | 13,655,000         | -7.14%          |
| Bond discounts, net of amortization | (923,303)                | (923,418)          | -0.01%          |
| Bond premiums, net of amortization  | 7,921,351                | 6,393,130          | 23.90%          |
| Early retirement payable            | 405,367                  | 738,486            | -45.11%         |
| Net pension liability               | 48,438,512               | 35,727,491         | 35.58%          |
| Net OPEB liability                  | 5,680,455                | 5,257,798          | 8.04%           |
| Compensated absences                | 499,040                  | 443,103            | 12.62%          |
| Totals                              | <u>\$ 243,786,422</u>    | <u>215,161,590</u> | <u>13.30%</u>   |

Additional information about the District's long-term debt can be found in note 6 to the financial statements.

#### **Economic Factors and Next Year's Budgets and Rates**

The District is located in the central part of the state, approximately 15 miles west of the city of Des Moines. The District, comprised totally in Dallas County, Iowa, is one of the fastest growing counties in the nation. The District is the fastest growing school district in the State of Iowa. The October 2017 certified student enrollment increased 597 students over the previous year. The economic condition and outlook of the District is one of great optimism. Over the past nine years, the total taxable assessed value in the District has increased by \$1.8 billion or 96.34%. For the current fiscal year, taxable assessed value in the District increased \$347,679,509 or 11.00%.

Based on conservative estimates this trend is expected to continue and probably accelerate in the immediate future. The eastern portions of Dallas County are experiencing growth in both residential and commercial development. The collection of the statewide sales tax, a one cent tax on all covered retail sales, began in January of 2004 and generated \$9.0 million dollars in fiscal 2017. An estimated \$9.3 million dollars is expected to be generated in 2017. The one-cent sales tax will continue through December of 2029 and is now part of the state pool.

This growth, while having a positive impact, also presents significant challenges for the District. The District is utilizing the optional instructional support levy to its fullest and will need to continue its high level of efficient use of human resources and facilities.

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. Dallas County is one of the fastest growing counties in the country. These increases are projected to continue if economic conditions remain favorable.

The State of Iowa saw an improved economic upturn. Revenue projections at the state level increased from the previous year. The District has faced reductions in funding for state aid and other state-funded programs in the previous fiscal years. The District has taken a proactive approach to fiscal stability, that has served it well in these times of financial crisis. The 2017 legislature set supplemental state aid for 2017-18 at 1.11%. We are optimistic about the District's financial outlook, because of prudent actions taken over the past six to seven years. The District has positioned itself extremely well to withstand financial uncertainties at both the state and federal level. We are confident as the national economy begins to strengthen, state revenues will follow the same upward direction.

#### **Requests for Information**

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Lora Appenzeller-Miller, Chief Financial Officer, Waukee Community School District, 560 S.E. University Avenue, Waukee, Iowa, 50263.

## Basic Financial Statements

Waukee Community School District  
Statement of Net Position  
June 30, 2017

|   | Governmental<br>Activities | Business Type<br>Activities | Total Primary<br>Government |
|---|----------------------------|-----------------------------|-----------------------------|
| <b>Assets</b>                               |                            |                             |                             |
| Current assets:                             |                            |                             |                             |
| Cash and cash equivalents                   | \$ 95,127,725              | 4,245,601                   | 99,373,326                  |
| Receivables:                                |                            |                             |                             |
| Property tax:                               |                            |                             |                             |
| Delinquent                                  | 78,777                     | -                           | 78,777                      |
| Succeeding year                             | 66,709,215                 | -                           | 66,709,215                  |
| Accounts                                    | 32,287                     | 168                         | 32,455                      |
| Due from other governments                  | 1,922,683                  | 5,340                       | 1,928,023                   |
| Prepaid expenses                            | 58,961                     | -                           | 58,961                      |
| Inventories                                 | 27,453                     | 64,612                      | 92,065                      |
| Total current assets                        | 163,957,101                | 4,315,721                   | 168,272,822                 |
| Non-current assets:                         |                            |                             |                             |
| Capital assets:                             |                            |                             |                             |
| Land  | 12,257,312                 | -                           | 12,257,312                  |
| Improvements other than buildings           | 8,137,036                  | -                           | 8,137,036                   |
| Buildings and improvements                  | 264,217,155                | -                           | 264,217,155                 |
| Vehicles, furniture and equipment           | 5,825,272                  | 4,588,286                   | 10,413,558                  |
| Construction in progress                    | 2,470,774                  | -                           | 2,470,774                   |
| Accumulated depreciation                    | (49,713,318)               | (2,562,828)                 | (52,276,146)                |
| Total capital assets                        | 243,194,231                | 2,025,458                   | 245,219,689                 |
| Total non-current assets                    | 243,194,231                | 2,025,458                   | 245,219,689                 |
| <b>Total assets</b>                         | 407,151,332                | 6,341,179                   | 413,492,511                 |
| <b>Deferred outflows of resources</b>       |                            |                             |                             |
| Pension related deferred outflows           | 23,291,648                 | 1,223,107                   | 24,514,755                  |
| <b>Total deferred outflows of resources</b> | 23,291,648                 | 1,223,107                   | 24,514,755                  |
| <b>Liabilities</b>                          |                            |                             |                             |
| Current liabilities:                        |                            |                             |                             |
| Accounts payable                            | 2,254,079                  | 75,303                      | 2,329,382                   |
| Salaries and benefits payable               | 9,501,948                  | 111,507                     | 9,613,455                   |
| Advances from prepaid lunches               | -                          | 125,824                     | 125,824                     |
| Advances from prepaid tuition               | -                          | 5,160                       | 5,160                       |
| Deposits payable                            | 5,365                      | -                           | 5,365                       |
| Contracts payable                           | 1,122,282                  | -                           | 1,122,282                   |
| Incurred but not reported claims            | 710,086                    | -                           | 710,086                     |
| Accrued interest payable                    | 581,468                    | -                           | 581,468                     |
| Capital loan notes payable                  | 2,262,144                  | -                           | 2,262,144                   |
| Revenue bonds payable                       | 4,183,380                  | -                           | 4,183,380                   |
| General obligation bonds payable            | 9,732,179                  | -                           | 9,732,179                   |
| Early retirement payable                    | 88,067                     | -                           | 88,067                      |
| Compensated absences                        | 468,840                    | 30,200                      | 499,040                     |
| Total current liabilities                   | 30,909,838                 | 347,994                     | 31,257,832                  |



Waukee Community School District  
Statement of Net Position  
June 30, 2017

|  | Governmental<br>Activities | Business Type<br>Activities | Total Primary<br>Government |
|--|----------------------------|-----------------------------|-----------------------------|
| <i>Continued from previous page</i>        |                            |                             |                             |
| Noncurrent liabilities:                    |                            |                             |                             |
| Capital loan notes payable                 | 11,702,623                 | -                           | 11,702,623                  |
| Revenue bonds payable                      | 56,589,946                 | -                           | 56,589,946                  |
| General obligation bonds payable           | 104,292,776                | -                           | 104,292,776                 |
| Early retirement payable                   | 317,300                    | -                           | 317,300                     |
| Net pension liability                      | 46,022,814                 | 2,415,698                   | 48,438,512                  |
| Net OPEB liability                         | 5,641,490                  | 389,965                     | 6,031,455                   |
| Total noncurrent liabilities               | 224,566,949                | 2,805,663                   | 227,372,612                 |
| <b>Total liabilities</b>                   | <b>255,476,787</b>         | <b>3,153,657</b>            | <b>258,630,444</b>          |
| Deferred inflows of resources              |                            |                             |                             |
| Deferred property tax revenue              | 66,709,215                 | -                           | 66,709,215                  |
| Pension related deferred inflows           | 6,260,680                  | 311,562                     | 6,572,242                   |
| <b>Total deferred inflows of resources</b> | <b>72,969,895</b>          | <b>311,562</b>              | <b>73,281,457</b>           |
| Net position                               |                            |                             |                             |
| Net investment in capital assets           | 87,264,199                 | 2,025,458                   | 89,289,657                  |
| Restricted for:                            |                            |                             |                             |
| Categorical funding                        | 1,737,788                  | -                           | 1,737,788                   |
| Management levy purposes                   | 1,637,683                  | -                           | 1,637,683                   |
| Physical plant and equipment levy          | 4,423,554                  | -                           | 4,423,554                   |
| Student activities                         | 515,602                    | -                           | 515,602                     |
| School infrastructure                      | 20,881,936                 | -                           | 20,881,936                  |
| Debt service                               | 6,525,266                  | -                           | 6,525,266                   |
| Unrestricted                               | (20,989,730)               | 2,073,609                   | (18,916,121)                |
| <b>Total net position</b>                  | <b>\$ 101,996,298</b>      | <b>4,099,067</b>            | <b>106,095,365</b>          |

See notes to financial statements.

Waukee Community School District  
Statement of Activities  
Year ended June 30, 2017

| Functions/Programs                 | Program Revenues  |                     |   | Net (Expense) Revenue and Changes in Net Position |                          |                          |
|------------------------------------|-------------------|---------------------|---|---|--------------------------|--------------------------|
|                                    | Expenses          | Charges for Service | Operating Grants, Contributions and Restricted Interest | Governmental Activities                           | Business Type Activities | Total Primary Government |
| <b>Governmental activities:</b>    |                   |                     |   |   |                          |                          |
| Instruction:                       |                   |                     |   |   |                          |                          |
| Regular                            | \$ 46,279,926     | 1,951,710           | 9,189,849   | (35,138,367)                                      | -                        | (35,138,367)             |
| Special                            | 10,977,596        | 235,553             | 1,753,642   | (8,988,401)                                       | -                        | (8,988,401)              |
| Other                              | 8,485,730         | 1,046,492           | 72,180  | (7,367,058)                                       | -                        | (7,367,058)              |
|                                    | <u>65,743,252</u> | <u>3,233,755</u>    | <u>11,015,671</u>                                       | <u>(51,493,826)</u>                               | <u>-</u>                 | <u>(51,493,826)</u>      |
| Support services:                  |                   |                     |   |   |                          |                          |
| Student                            | 3,536,785         | -                   | -   | (3,536,785)                                       | -                        | (3,536,785)              |
| Instructional staff                | 8,316,803         | -                   | -   | (8,316,803)                                       | -                        | (8,316,803)              |
| Administration                     | 6,554,061         | -                   | -   | (6,554,061)                                       | -                        | (6,554,061)              |
| Operation and maintenance of plant | 10,993,638        | 197,004             | -   | (10,796,634)                                      | -                        | (10,796,634)             |
| Transportation                     | 3,954,637         | 58,915              | 280,485   | (3,615,237)                                       | -                        | (3,615,237)              |
|                                    | <u>33,355,924</u> | <u>255,919</u>      | <u>280,485</u>  | <u>(32,819,520)</u>                               | <u>-</u>                 | <u>(32,819,520)</u>      |
| Other expenses:                    |                   |                     |   |   |                          |                          |
| Interest (unallocated)             | 6,371,623         | -                   | -   | (6,371,623)                                       | -                        | (6,371,623)              |
| AEA flowthrough                    | 4,136,701         | -                   | 4,136,701   | -   | -                        | -                        |
| Depreciation (unallocated) *       | 5,597,841         | -                   | -   | (5,597,841)                                       | -                        | (5,597,841)              |
|                                    | <u>16,106,165</u> | <u>-</u>            | <u>4,136,701</u>  | <u>(11,969,464)</u>                               | <u>-</u>                 | <u>(11,969,464)</u>      |
| Total governmental activities      | 115,205,341       | 3,489,674           | 15,432,857  | (96,282,810)                                      | -                        | (96,282,810)             |
| <b>Business type activities:</b>   |                   |                     |   |   |                          |                          |
| Support services:                  |                   |                     |   |   |                          |                          |
| Administration                     | 215,553           | -                   | -   | -   | (215,553)                | (215,553)                |
| Operation and maintenance of plant | 69,366            | -                   | -   | -   | (69,366)                 | (69,366)                 |
| Transportation                     | 68,312            | -                   | -   | -   | (68,312)                 | (68,312)                 |
|                                    | <u>353,231</u>    | <u>-</u>            | <u>-</u>  | <u>-</u>  | <u>(353,231)</u>         | <u>(353,231)</u>         |
| Non-instructional programs:        |                   |                     |   |   |                          |                          |
| Food service operations            | 5,163,126         | 3,639,832           | 1,528,936   | -   | 5,642                    | 5,642                    |
| Community education operations     | 2,541,602         | 2,684,226           | -   | -   | 142,624                  | 142,624                  |
|                                    | <u>7,704,728</u>  | <u>6,324,058</u>    | <u>1,528,936</u>  | <u>-</u>  | <u>148,266</u>           | <u>148,266</u>           |
| Total business type activities     | 8,057,959         | 6,324,058           | 1,528,936   | -   | (204,965)                | (204,965)                |
| Total primary government           | \$ 123,263,300    | 9,813,732           | 16,961,793  | (96,282,810)                                      | (204,965)                | (96,487,775)             |

Waukee Community School District  
Statement of Activities  
Year ended June 30, 2017

|  | Program Revenues |                     |   | Net (Expense) Revenue and Changes in Net Position |                          |                          |
|--|------------------|---------------------|---|---|--------------------------|--------------------------|
|  | Expenses         | Charges for Service | Operating Grants, Contributions and Restricted Interest | Governmental Activities                           | Business Type Activities | Total Primary Government |
| <i>Totals continued from previous page</i>                   | \$ 123,263,300   | 9,813,732           | 16,961,793  | \$ (96,282,810)                                   | (204,965)                | (96,487,775)             |
| <b>General Revenues:</b>                                     |                  |                     |   |   |                          |                          |
| Property tax levied for:                                     |                  |                     |   |   |                          |                          |
| General purposes   |                  |                     |   | 38,523,227  | -                        | 38,523,227               |
| Debt service   |                  |                     |   | 14,976,247  | -                        | 14,976,247               |
| Capital outlay   |                  |                     |   | 6,175,388   | -                        | 6,175,388                |
| Statewide sales, services and use tax (+)                    |                  |                     |   | 9,020,585   | -                        | 9,020,585                |
| Unrestricted state grants                                    |                  |                     |   | 42,605,274  | -                        | 42,605,274               |
| Grants and contributions not restricted to specific programs |                  |                     |   | 554,695   | -                        | 554,695                  |
| Unrestricted investment earnings                             |                  |                     |   | 509,334   | 11,004                   | 520,338                  |
| Other  |                  |                     |   | 399,297   | -                        | 399,297                  |
| Total general revenues                                       |                  |                     |   | 112,764,047                                       | 11,004                   | 112,775,051              |
| Change in net position before transfers                      |                  |                     |   | 16,481,237  | (193,961)                | 16,287,276               |
| Transfers:   |                  |                     |   |   |                          |                          |
| Transfers  |                  |                     |   | (196,730)   | 196,730                  | -                        |
| Total transfers  |                  |                     |   | (196,730)   | 196,730                  | -                        |
| Change in net position                                       |                  |                     |   | 16,284,507  | 2,769                    | 16,287,276               |
| Net position beginning of year                               |                  |                     |   | 85,711,791  | 4,096,298                | 89,808,089               |
| Net position end of year                                     |                  |                     |   | \$ 101,996,298                                    | 4,099,067                | 106,095,365              |

\* This amount excludes the depreciation that is included in the direct expense of the various programs.

(+) The Statewide sales, services and use tax is an unrestricted intergovernmental revenue.

See notes to financial statements.

Waukee Community School District  
Balance Sheet  
Governmental Funds  
June 30, 2017

|   | General              | Debt Service      | Capital Projects  | Non-major Governmental Funds | Total              |
|---|----------------------|-------------------|-------------------|------------------------------|--------------------|
| <b>Assets</b>   |                      |                   |                   |                              |                    |
| Cash, cash equivalents and pooled investments                             | \$ 21,543,950        | 33,779,524        | 32,158,983        | 2,592,947                    | 90,075,404         |
| Receivables:  |                      |                   |                   |                              |                    |
| Property tax:   |                      |                   |                   |                              |                    |
| Delinquent  | 51,014               | 19,657            | 8,106             | -                            | 78,777             |
| Succeeding year   | 42,800,608           | 16,503,475        | 6,805,137         | 599,995                      | 66,709,215         |
| Accounts  | 23,870               | -                 | 7,344             | 1,073                        | 32,287             |
| Due from other governments  | 1,139,229            | 106               | 783,348           | -                            | 1,922,683          |
| Prepaid expenses  | -                    | -                 | 58,961            | -                            | 58,961             |
| Inventories   | 27,453               | -                 | -                 | -                            | 27,453             |
| <b>Total assets</b>   | <b>\$ 65,586,124</b> | <b>50,302,762</b> | <b>39,821,879</b> | <b>3,194,015</b>             | <b>158,904,780</b> |
| <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>       |                      |                   |                   |                              |                    |
| Liabilities:  |                      |                   |                   |                              |                    |
| Accounts payable  | \$ 1,775,569         | -                 | 448,507           | 30,003                       | 2,254,079          |
| Salaries and benefits payable   | 9,501,948            | -                 | -                 | -                            | 9,501,948          |
| Deposits payable  | -                    | -                 | -                 | 5,365                        | 5,365              |
| Contracts payable   | -                    | -                 | 1,122,282         | -                            | 1,122,282          |
| Total liabilities   | 11,277,517           | -                 | 1,570,789         | 35,368                       | 12,883,674         |
| Deferred inflows of resources:  |                      |                   |                   |                              |                    |
| Unavailable revenues:   |                      |                   |                   |                              |                    |
| Succeeding year property tax  | 42,800,608           | 16,503,475        | 6,805,137         | 599,995                      | 66,709,215         |
| Total deferred inflows of resources                                       | 42,800,608           | 16,503,475        | 6,805,137         | 599,995                      | 66,709,215         |
| Fund balances:  |                      |                   |                   |                              |                    |
| Nonspendable fund balance:  |                      |                   |                   |                              |                    |
| Inventories   | 27,453               | -                 | -                 | -                            | 27,453             |
| Restricted for:   |                      |                   |                   |                              |                    |
| Categorical funding   | 1,737,788            | -                 | -                 | -                            | 1,737,788          |
| Debt service  | -                    | 33,799,287        | 6,140,463         | -                            | 39,939,750         |
| Mangement levy purposes   | -                    | -                 | -                 | 2,043,050                    | 2,043,050          |
| Student activities  | -                    | -                 | -                 | 515,602                      | 515,602            |
| School infrastructure   | -                    | -                 | 20,881,936        | -                            | 20,881,936         |
| Physical plant and equipment  | -                    | -                 | 4,423,554         | -                            | 4,423,554          |
| Unassigned  | 9,742,758            | -                 | -                 | -                            | 9,742,758          |
| Total fund balances   | 11,507,999           | 33,799,287        | 31,445,953        | 2,558,652                    | 79,311,891         |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 65,586,124</b> | <b>50,302,762</b> | <b>39,821,879</b> | <b>3,194,015</b>             | <b>158,904,780</b> |

See notes to financial statements.

Waukee Community School District  
 Reconciliation of the Balance Sheet  
 Governmental Funds To the Statement of Net Position  
 June 30, 2017

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|   |           |               |                           |
|---|-----------|---------------|---------------------------|
| Total fund balances of governmental funds (Exhibit C)   | \$        | 79,311,891    |                           |
| <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>   |           |               |                           |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.  |           |               | 243,194,231               |
| The internal service fund is used to charge the costs of the district's flexible benefits plan, self-funded dental plan and self-funded health insurance plan to the governmental funds. The net position of the internal service fund are therefore included in governmental activities.   |           |               | 4,342,235                 |
| 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.   |           |               | (581,468)                 |
| Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:  |           |               |                           |
| Deferred outflows of resources  | \$        | 23,291,648    |                           |
| Deferred inflows of resources   |           | (6,260,680)   | 17,030,968                |
| Long-term liabilities, including bonds and notes payable, early retirement, compensated absences, other postemployment benefits payable and net pension liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of: |           |               |                           |
| Capital loan notes payable  | \$        | (12,680,000)  |                           |
| Revenue bonds payable   |           | (59,320,000)  |                           |
| General obligation bonds payable  |           | (109,765,000) |                           |
| Bond discounts  |           | 923,303       |                           |
| Bond premiums   |           | (7,921,351)   |                           |
| Early retirement  |           | (405,367)     |                           |
| Compensated absences  |           | (468,840)     |                           |
| Net pension liability   |           | (46,022,814)  |                           |
| Other post employment benefits  |           | (5,641,490)   | (241,301,559)             |
|   |           |               |                           |
| <b>Net position of governmental activities (Exhibit A)</b>  | <b>\$</b> |               | <b><u>101,996,298</u></b> |

See notes to financial statements.

Waukee Community School District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year ended June 30, 2017

|   | General           | Debt Service      | Capital Projects   | Non-major Governmental Funds | Total              |
|---|-------------------|-------------------|--------------------|------------------------------|--------------------|
| <b>Revenues:</b>  |                   |                   |                    |                              |                    |
| Local sources:  |                   |                   |                    |                              |                    |
| Local tax   | \$ 38,523,227     | 14,976,247        | 6,175,388          | -                            | 59,674,862         |
| Tuition   | 1,710,473         | -                 | -                  | -                            | 1,710,473          |
| Other   | 1,410,369         | 213,837           | 231,381            | 1,386,940                    | 3,242,527          |
| State sources   | 55,429,440        | 563,895           | 9,253,105          | -                            | 65,246,440         |
| Federal sources   | 1,812,276         | -                 | -                  | -                            | 1,812,276          |
| <b>Total revenues</b>                                     | <b>98,885,785</b> | <b>15,753,979</b> | <b>15,659,874</b>  | <b>1,386,940</b>             | <b>131,686,578</b> |
| <b>Expenditures:</b>                                      |                   |                   |                    |                              |                    |
| Current:  |                   |                   |                    |                              |                    |
| Instruction:  |                   |                   |                    |                              |                    |
| Regular   | 44,580,187        | -                 | 59,688             | 633,694                      | 45,273,569         |
| Special   | 10,783,436        | -                 | -                  | -                            | 10,783,436         |
| Other   | 7,031,304         | -                 | -                  | 1,419,291                    | 8,450,595          |
|   | <b>62,394,927</b> | <b>-</b>          | <b>59,688</b>      | <b>2,052,985</b>             | <b>64,507,600</b>  |
| Support services:   |                   |                   |                    |                              |                    |
| Student   | 3,465,285         | -                 | -                  | -                            | 3,465,285          |
| Instructional staff                                       | 7,432,284         | -                 | 862,688            | -                            | 8,294,972          |
| Administration  | 6,464,193         | 6,750             | 24,503             | 7,700                        | 6,503,146          |
| Operation and maintenance of plant                        | 7,144,798         | -                 | 68,628             | 297,243                      | 7,510,669          |
| Transportation  | 3,940,082         | -                 | -                  | -                            | 3,940,082          |
|   | <b>28,446,642</b> | <b>6,750</b>      | <b>955,819</b>     | <b>304,943</b>               | <b>29,714,154</b>  |
| Capital outlay:   |                   |                   |                    |                              |                    |
| Facilities acquisition                                    | -                 | -                 | 22,266,887         | -                            | 22,266,887         |
| Debt service:   |                   |                   |                    |                              |                    |
| Principal   | -                 | 13,880,000        | -                  | -                            | 13,880,000         |
| Debt issuance costs                                       | -                 | 103,506           | -                  | -                            | 103,506            |
| Interest and fiscal charges                               | -                 | 7,206,562         | -                  | -                            | 7,206,562          |
|   | <b>-</b>          | <b>21,190,068</b> | <b>-</b>           | <b>-</b>                     | <b>21,190,068</b>  |
| Intergovernmental:  |                   |                   |                    |                              |                    |
| Other expenditures  | 4,136,701         | -                 | -                  | -                            | 4,136,701          |
| <b>Total expenditures</b>                                 | <b>94,978,270</b> | <b>21,196,818</b> | <b>23,282,394</b>  | <b>2,357,928</b>             | <b>141,815,410</b> |
| Excess (deficiency) of revenues over (under) expenditures | 3,907,515         | (5,442,839)       | (7,622,520)        | (970,988)                    | (10,128,832)       |
| <b>Other financing sources (uses):</b>                    |                   |                   |                    |                              |                    |
| Issuance of refunding bonds                               | -                 | 30,915,000        | -                  | -                            | 30,915,000         |
| Premium on the issuance of debt                           | -                 | 2,563,541         | -                  | -                            | 2,563,541          |
| Discount on the issuance of debt                          | -                 | (93,365)          | -                  | -                            | (93,365)           |
| Payments to escrow agents for defeasance of debt          | -                 | (2,776,054)       | -                  | -                            | (2,776,054)        |
| Transfers in  | -                 | 7,711,896         | 417,206            | 30,232                       | 8,159,334          |
| Transfers out   | (226,962)         | -                 | (8,129,102)        | -                            | (8,356,064)        |
| <b>Total other financing sources (uses)</b>               | <b>(226,962)</b>  | <b>38,321,018</b> | <b>(7,711,896)</b> | <b>30,232</b>                | <b>30,412,392</b>  |
| Net change in fund balances                               | 3,680,553         | 32,878,179        | (15,334,416)       | (940,756)                    | 20,283,560         |
| Fund balances beginning of year                           | 7,827,446         | 921,108           | 46,780,369         | 3,499,408                    | 59,028,331         |
| Fund balances end of year                                 | \$ 11,507,999     | 33,799,287        | 31,445,953         | 2,558,652                    | 79,311,891         |

See notes to financial statements.

Waukee 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, 2017

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Net change in fund balances - total governmental funds (Exhibit E) \$ 20,283,560

*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 reported in the Statement of Net Position and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

|                                 |                    |            |
|---------------------------------|--------------------|------------|
| Expenditures for capital assets | \$ 18,990,890      |            |
| Depreciation expense            | <u>(6,279,393)</u> | 12,711,497 |

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the Statement of Activities. Current year items are as follows:

|  |                |              |
|--|----------------|--------------|
| Issuance of bond and note principal    | (30,915,000)   |              |
| Premium on the issuance of debt        | (2,563,541)    |              |
| Discount on the issuance of debt       | 93,365         |              |
| Repayments of bond and note principal  | 16,675,000     |              |
| Amortization of premiums and discounts | <u>941,840</u> | (15,768,336) |

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. (22,341)

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 5,098,224

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.

|                               |                  |             |
|-------------------------------|------------------|-------------|
| Early retirement              | 333,119          |             |
| Compensated absences          | (54,961)         |             |
| Pension expense               | (6,886,878)      |             |
| Other postemployment benefits | <u>(730,241)</u> | (7,338,961) |

The change in Net Position of the Internal Service Funds represent an undercharge to the governmental funds served and, therefore, increases expenses in the Statement of Activities. 1,320,864

**Change in net position of governmental activities (Exhibit B) \$ 16,284,507**

See notes to financial statements.

Waukee Community School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2017

|                                       | Business Type<br>Activities      | Governmental<br>Activities |
|---------------------------------------|----------------------------------|----------------------------|
|                                       | Non-major<br>Enterprise<br>Funds | Internal Service<br>Funds  |
| <b>Assets</b>                         |                                  |                            |
| Current assets:                       |                                  |                            |
| Cash and cash equivalents             | \$ 4,245,601                     | 5,052,321                  |
| Receivables:                          |                                  |                            |
| Accounts                              | 168                              | -                          |
| Due from other governments            | 5,340                            | -                          |
| Inventories                           | 64,612                           | -                          |
| Total current assets                  | 4,315,721                        | 5,052,321                  |
| Non-current assets:                   |                                  |                            |
| Capital assets:                       |                                  |                            |
| Equipment                             | 4,588,286                        | -                          |
| Accumulated depreciation              | (2,562,828)                      | -                          |
| Total noncurrent assets               | 2,025,458                        | -                          |
| <b>Total assets</b>                   | 6,341,179                        | 5,052,321                  |
| <b>Deferred Outflows of Resources</b> |                                  |                            |
| Pension related deferred outflows     | 1,223,107                        | -                          |
| <b>Liabilities</b>                    |                                  |                            |
| Current liabilities:                  |                                  |                            |
| Accounts payable                      | 75,303                           | -                          |
| Salaries and benefits payable         | 111,507                          | -                          |
| Compensated absences                  | 30,200                           | -                          |
| Incurred but not reported claims      | -                                | 710,086                    |
| Advances from prepaid lunches         | 125,824                          | -                          |
| Advances from prepaid tuition         | 5,160                            | -                          |
| Total current liabilities             | 347,994                          | 710,086                    |
| Noncurrent liabilities:               |                                  |                            |
| Net pension liability                 | 2,415,698                        | -                          |
| Net OPEB liability                    | 389,965                          | -                          |
| Total noncurrent liabilities          | 2,805,663                        | -                          |
| <b>Total liabilities</b>              | 3,153,657                        | 710,086                    |
| <b>Deferred Inflows of Resources</b>  |                                  |                            |
| Pension related deferred inflows      | 311,562                          | -                          |
| <b>Net Position</b>                   |                                  |                            |
| Investment in capital assets          | 2,025,458                        | -                          |
| Unrestricted                          | 2,073,609                        | 4,342,235                  |
| <b>Total net position</b>             | \$ 4,099,067                     | 4,342,235                  |

See notes to financial statements.



Waukee Community School District  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
Year ended June 30, 2017

|                                    | Business Type<br>Activities      | Governmental<br>Activities |
|------------------------------------|----------------------------------|----------------------------|
|                                    | Non-major<br>Enterprise<br>Funds | Internal Service<br>Funds  |
| Operating revenue:                 |                                  |                            |
| Local sources:                     |                                  |                            |
| Charges for services               | \$ 6,324,058                     | 8,522,709                  |
| Operating expenses:                |                                  |                            |
| Support services:                  |                                  |                            |
| Administration services            | 215,553                          | 7,222,907                  |
| Operation and maintenance of plant | 69,366                           | -                          |
| Transportation services            | 68,312                           | -                          |
|                                    | 353,231                          | 7,222,907                  |
| Non-instructional programs:        |                                  |                            |
| Food service operations:           |                                  |                            |
| Depreciation                       | 331,469                          | -                          |
| Other                              | 4,831,657                        | -                          |
|                                    | 5,163,126                        | -                          |
| Other enterprise operations:       |                                  |                            |
| Depreciation                       | 12,658                           | -                          |
| Other                              | 2,528,944                        | -                          |
|                                    | 2,541,602                        | -                          |
| Total operating expenses           | 8,057,959                        | 7,222,907                  |
| Operating income (loss)            | (1,733,901)                      | 1,299,802                  |
| Non-operating revenues:            |                                  |                            |
| Interest on investments            | 11,004                           | 21,062                     |
| State sources                      | 32,111                           | -                          |
| Federal sources                    | 1,496,825                        | -                          |
| Total non-operating revenues       | 1,539,940                        | 21,062                     |
| Income (loss) before transfers     | (193,961)                        | 1,320,864                  |
| Transfers:                         |                                  |                            |
| Transfers in                       | 196,730                          | -                          |
| Total transfers                    | 196,730                          | -                          |
| Change in net position             | 2,769                            | 1,320,864                  |
| Net position beginning of year     | 4,096,298                        | 3,021,371                  |
| Net position end of year           | \$ 4,099,067                     | 4,342,235                  |

See notes to financial statements.

Waukee Community School District  
Statement of Cash Flows  
Proprietary Funds  
Year ended June 30, 2017

|   | Business Type<br>Activities      | Governmental<br>Activities |
|---|----------------------------------|----------------------------|
|   | Non-major<br>Enterprise<br>Funds | Internal Service<br>Fund   |
| Cash flows from operating activities:   |                                  |                            |
| Cash received from sale of lunches and breakfasts   | \$ 3,635,425                     | -                          |
| Cash received from miscellaneous operating activities   | 2,710,781                        | 8,522,709                  |
| Cash payments to employees for services   | (4,485,862)                      | (7,219,549)                |
| Cash payments to suppliers for goods or services  | (2,692,990)                      | -                          |
| Net cash provided (used) by operating activities  | <u>(832,646)</u>                 | <u>1,303,160</u>           |
| Cash flows from non-capital financing activities:   |                                  |                            |
| Transfers in  | 196,730                          | -                          |
| State grants received   | 32,111                           | -                          |
| Federal grants received   | 1,150,959                        | -                          |
| Net cash provided by non-capital financing activities   | <u>1,379,800</u>                 | <u>-</u>                   |
| Cash flows from capital and related financing activities:   |                                  |                            |
| Acquisition of capital assets   | (155,072)                        | -                          |
| Net cash used by capital and related financing activities   | <u>(155,072)</u>                 | <u>-</u>                   |
| Cash flows from investing activities:   |                                  |                            |
| Interest on investments   | 11,004                           | 21,062                     |
| Net increase in cash and cash equivalents   | 403,086                          | 1,324,222                  |
| Cash and cash equivalents at beginning of year  | 3,842,515                        | 3,728,099                  |
| Cash and cash equivalents at end of year  | <u>\$ 4,245,601</u>              | <u>5,052,321</u>           |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>                 |                                  |                            |
| Operating income (loss)   | \$ (1,733,901)                   | 1,299,802                  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:                 |                                  |                            |
| Commodities used  | 341,006                          | -                          |
| Depreciation  | 344,127                          | -                          |
| Decrease in accounts receivable   | 3,992                            | -                          |
| Increase in due from other governments  | (480)                            | -                          |
| Decrease in inventories   | (1,131)                          | -                          |
| Increase (decrease) in accounts payable   | 19,753                           | (42)                       |
| Increase in salaries and benefits payable   | 36,478                           | -                          |
| Increase in incurred but not reported claims  | -                                | 3,400                      |
| Increase in unearned revenue  | 18,636                           | -                          |
| Increase in compensated absences payable  | 976                              | -                          |
| Increase in other post employment benefits  | 43,416                           | -                          |
| Increase in net pension liability   | 637,061                          | -                          |
| Increase in deferred outflows of resources  | (455,032)                        | -                          |
| Decrease in deferred inflows of resources   | (87,547)                         | -                          |
| Net cash provided (used) by operating activities  | <u>\$ (832,646)</u>              | <u>1,303,160</u>           |
| <b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:</b> |                                  |                            |
| Current assets:   |                                  |                            |
| Cash and investments  | \$ 4,245,601                     | 5,052,321                  |
| Cash and cash equivalents at year end   | <u>\$ 4,245,601</u>              | <u>5,052,321</u>           |
| <b>Non-cash investing, capital and financing activities:</b>  |                                  |                            |
| Noncapital financing activities, commodities received from the US Department of Agriculture                           | \$ 341,006                       | \$ -                       |

See notes to financial statements.

Waukee Community School District  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2017

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|                                       | Private Purpose<br>Trust |
|---------------------------------------|--------------------------|
|                                       | Scholarship              |
| <b>Assets</b>                         |                          |
| Cash and pooled investments           | \$ 210,532               |
| <b>Total assets</b>                   | <u>210,532</u>           |
| <b>Net position</b>                   |                          |
| Assets held in trust for scholarships | <u>\$ 210,532</u>        |

See notes to financial statements.

Waukee Community School District  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
Year Ended June 30, 2017

|                                | Private Purpose<br>Trust |
|--------------------------------|--------------------------|
|                                | Scholarship              |
| Additions:                     |                          |
| Local sources:                 |                          |
| Interest                       | \$ 3,750                 |
| Total additions                | <u>3,750</u>             |
| Deductions:                    |                          |
| Instruction:                   |                          |
| Scholarships awarded           | <u>13,495</u>            |
| Total deductions               | <u>13,495</u>            |
| Change in net position         | (9,745)                  |
| Net position beginning of year | <u>220,277</u>           |
| Net position end of year       | <u>\$ 210,532</u>        |

See notes to financial statements.

(1) **Summary of Significant Accounting Policies**

The Waukee 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 either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the city of Waukee, Iowa; portions of the cities of West Des Moines, Clive and Urbandale, and the agricultural territory in Dallas 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.

A. Reporting Entity

For financial reporting purposes, Waukee 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. Waukee Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization - 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 Dallas County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position are reported in the following 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 of those assets.

*Restricted net position* results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of net position not meeting 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.

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

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

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

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

General Fund: The General Fund accounts for all sources used to finance District operation and maintenance, except those required to be accounted for in another fund.

Debt Service Fund: The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

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

The other governmental funds of the District are considered non-major and are as follows:

Special Revenue Funds: The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

Student Activity Funds: This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.

Management Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

**Proprietary Fund Types:** 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 following are the District's proprietary funds:

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

The following enterprise funds of the District are considered non-major:

School Nutrition Fund: This fund accounts for transactions related to the school lunch, breakfast and summer food programs authorized by Iowa Code 283A.

Community Education Fund: This fund accounts for transactions for facilities and services to provide further education opportunities including before and after school child care and summer child care programs.

Internal Service Funds: The internal service funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The internal service funds are charged back to the Governmental Funds and shown combined in the statement of net position and statement of activities. This chargeback is based on a percentage of total employees by the participants' various functional areas. The District has the following internal service funds:

Self-Funded Dental Plan: This fund accounts for transactions for self-insured dental insurance received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurance.

Self-Funded Health Plan: This fund accounts for transactions for self-insured health insurance received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurance.

Flexible benefits: This fund accounts for transactions for certain benefits available to District employees in which the District is responsible for paying all premiums or costs specified by the employee.

**Fiduciary Fund Types:** Fiduciary funds account for assets held by the District in a trustee or agency capacity for the benefit of others and cannot be used to support District activities. The District has the following fiduciary fund type:

Private Purpose Trust Fund: This fund accounts for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary 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 cash is received by the District.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses.

The District maintains its financial records on a modified accrual basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. 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 except for the investments in the Iowa Schools Joint Investment Trust and The Education Liquidity Fund (TELF), which are valued at amortized cost, and non-negotiable certificates of deposit, which are stated at cost.

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

Property Tax Receivable - Property tax in the governmental funds are 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 related 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 1½% per month penalty for delinquent payments; is based on January 1, 2015 assessed property valuations; is for the tax accrual period July 1, 2016 through June 30, 2017 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2016.



(1) *Summary of Significant Accounting Policies (continued from previous page)*

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at the moving average cost for purchased items and contributed value (fair value at the date received) for government commodities and other donated items. Inventories are recorded as expenses when consumed in the Government-wide financial statements and proprietary funds' financial statements. In the governmental fund financial statements, inventories are accounted for using the consumption method whereby inventory acquisitions are recorded in inventory accounts when purchased and are charged to operations when consumed or sold. In the proprietary fund financial statements, inventories are recorded at the lower costs (first in, first out method) or market and food commodities which were received from the federal government recorded at the contributed value as of the date received.

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

| <u>Asset Class</u>                | <u>Amount</u> |
|-----------------------------------|---------------|
| Land                              | \$ 5,000      |
| Buildings                         | 5,000         |
| Improvements other than buildings | 5,000         |
| Furniture and equipment:          |               |
| Enterprise Fund equipment         | 500           |
| Other furniture and equipment     | 5,000         |

Capital assets (with the exception of land and construction in progress, which are not depreciated) are depreciated using the straight line method over the following estimated useful lives:

| <u>Asset Class</u>                | <u>Estimated Useful Lives (In Years)</u> |
|-----------------------------------|--|
| Buildings                         | 50 years                                 |
| Improvements other than buildings | 20 years                                 |
| Furniture and equipment           | 5-20 years                               |

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

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Advances - Proceeds received by the District for which services will be rendered in a succeeding fiscal year, such as prepaid lunch money and prepaid tuition.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2017. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

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 pension of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources on the Statement of Net Position consists of the succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

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

*Committed* - Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to yearend. 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 constrained by the District's intent to use them for a specific purpose. The authority to assign fund balances has been designated by the District's Board of Directors to the Chief Financial Officer.

*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. The General Fund is the only fund that reports a positive unassigned fund balance.

In governmental funds when an expenditure is incurred that can be paid using either restricted or unrestricted resources, the District's policy is generally to apply the expenditure toward restricted fund balance and then to other, less-restricted classifications – committed, assigned, and then unassigned fund balances.

The District does not have a minimum fund balance policy. They rely on Iowa Statutes for those funds that, by statute, have requirements placed on ending unencumbered cash.

## (2) Budgets and Budgetary Accounting

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, except internal service and fiduciary 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.

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functions, not by fund. These four functions 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 preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the 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 from the County Auditor.
4. Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.
5. The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.
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. Unexpended budgetary balance lapse at June 30 and are not available to finance expenditures or expenses of the following year.

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

## (3) Deposits and Pooled Investments

As of June 30, 2017, the carrying amount of the District's bank deposits and pooled investments totaled \$99,583,858 with actual bank balances of \$7,220,661 and investment balances of \$92,363,197. Of the bank balances, \$500,000 was covered by federal depository insurance and \$6,720,661 was collateralized by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

(3) *Deposits and Pooled Investments (continued from previous page)*

The District is authorized by statute to invest public funds not currently needed for operating expenses in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured lowa depository institutions approved by the Board; prime eligible bankers' acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts. However, the District's investment policy additionally limits investments in commercial paper to obligations at the time of purchase rated within the two highest ratings issued by nationally recognized statistical rating organizations with a maturity less than 270 days, with no more than 5 percent at the time of purchase placed in the second highest classification and no more than 10 percent of the investment portfolio in these investments. The District's investment policy additionally limits investments in prime bankers' acceptances that mature within 270 days and that are eligible for purchase by a federal reserve bank, with no more than 10 percent of the investment portfolio in these investments.

At June 30, 2017, the District had investments in the following:

| Type                               | Amortized<br>Cost/Fair Value |
|------------------------------------|------------------------------|
| TELF                               | \$ 11,695,321                |
| ISJIT                              | 47,626,824                   |
| US Treasury Note                   | 32,833,016                   |
| Money Market Mutual Fund           | 62,815                       |
| Negotiable Certificates of Deposit | 145,221                      |
|                                    | <u>\$ 92,363,197</u>         |

The investments in TELF and ISJIT are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There is no material difference from fair value. In addition, the fair value of the District's financial position in the pool is the same as the value of the pool shares. The negotiable certificates of deposit and money market mutual fund are stated at fair value.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy requires operating funds to be invested in investments that mature within 397 days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within 15 months of receipt. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

Credit risk: The investment in the Iowa Schools Joint Investment Trust was rated AAAm by Standard & Poor's Rating Service. The Iowa Schools Joint Investment Trust is sponsored by the Iowa Association of School Boards, governed by a representative board of trustees. The board of trustees serves as the regulatory oversight of the pool. The investments in The Education Liquidity Fund (TELF) pool are registered and not subject to rating. The District's investment policy does not formally address credit risk.

Custodial credit risk for deposits: In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized.

At June 30, 2017, the District's deposits with financial institutions were entirely covered by federal depository insurance or insured through the state pooled collateral, state sinking funds and by the state's ability to assess for lost funds. At June 30, 2017, \$92,363,197 of the District's investments was uninsured or unregistered with securities held by the counterparty's trust department or agent in the District's name.

(4) Transfers

The detail of transfers for the year ended June 30, 2017 is as follows:

|                          | Transfers In            |                  |               |                         |                     |                  |
|--------------------------|-------------------------|------------------|---------------|-------------------------|---------------------|------------------|
|                          | Governmental Activities |                  |               | Total                   | Business type       |                  |
|                          | Debt Service            | Capital Projects | Nonmajor      | Governmental Activities | Nonmajor Enterprise | Total            |
| <u>Transfer Out:</u>     |                         |                  |               |                         |                     |                  |
| Governmental Activities: |                         |                  |               |                         |                     |                  |
| General                  | \$ -                    | -                | 30,232        | 30,232                  | 196,730             | 226,962          |
| Capital Projects         | 7,711,896               | 417,206          | -             | 8,129,102               | -                   | 8,129,102        |
| Total                    | <u>\$ 7,711,896</u>     | <u>417,206</u>   | <u>30,232</u> | <u>8,159,334</u>        | <u>196,730</u>      | <u>8,356,064</u> |

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

The General Fund transferred to the Nonmajor Governmental, Student Activity Fund to purchase safety equipment.

The General Fund transferred rental income to the Nonmajor Enterprise, Community Service Fund. The General Fund transferred catering revenue to the Nonmajor Enterprise, School Nutrition Fund.

Capital Projects Fund transferred to the Debt Service Fund to pay revenue bonds and capital loan notes. The Capital Projects Fund, Statewide Sales, Services and Use Tax account transferred funds to the Capital Projects, Other Capital Projects Fund account to pay for final constructions costs for Grant Ragan Elementary.

(5) Capital Assets

Capital assets activity for the year ended June 30, 2017 is as follows:

|   | Balance Beginning of Year | Additions         | Reductions        | Balance End of Year |
|---|---------------------------|-------------------|-------------------|---------------------|
| <b>Governmental activities:</b>             |                           |                   |                   |                     |
| Capital assets not being depreciated:       |                           |                   |                   |                     |
| Land  | \$ 8,334,281              | 3,923,031         | -                 | 12,257,312          |
| Construction in progress                    | 30,396,027                | 2,173,793         | 30,099,046        | 2,470,774           |
| Total capital assets not being depreciated  | <u>38,730,308</u>         | <u>6,096,824</u>  | <u>30,099,046</u> | <u>14,728,086</u>   |
| Capital assets being depreciated:           |                           |                   |                   |                     |
| Buildings                                   | 222,604,873               | 41,612,282        | -                 | 264,217,155         |
| Improvements other than buildings           | 7,460,173                 | 676,863           | -                 | 8,137,036           |
| Furniture and equipment                     | 5,133,605                 | 703,967           | 12,300            | 5,825,272           |
| Total capital assets being depreciated      | <u>235,198,651</u>        | <u>42,993,112</u> | <u>12,300</u>     | <u>278,179,463</u>  |
| Less accumulated depreciation for:          |                           |                   |                   |                     |
| Buildings                                   | 36,457,186                | 5,279,264         | -                 | 41,736,450          |
| Improvements other than buildings           | 3,837,381                 | 318,577           | -                 | 4,155,958           |
| Furniture and equipment                     | 3,151,658                 | 681,552           | 12,300            | 3,820,910           |
| Total accumulated depreciation              | <u>43,446,225</u>         | <u>6,279,393</u>  | <u>12,300</u>     | <u>49,713,318</u>   |
| Total capital assets being depreciated, net | <u>191,752,426</u>        | <u>36,713,719</u> | <u>-</u>          | <u>228,466,145</u>  |
| Governmental activities capital assets, net | <u>\$ 230,482,734</u>     | <u>42,810,543</u> | <u>30,099,046</u> | <u>243,194,231</u>  |

Waukee Community School District  
Notes to Financial Statements  
June 30, 2017

(5) Capital Assets (continued from previous page)

|  | Balance<br>Beginning<br>of Year | Additions | Reductions | Balance<br>End of<br>Year |
|--|---------------------------------|-----------|------------|---------------------------|
| <b>Business type activities:</b>             |                                 |           |            |                           |
| Furniture and equipment                      | \$ 4,434,253                    | 155,072   | 1,039      | 4,588,286                 |
| Less accumulated depreciation                | 2,219,740                       | 344,127   | 1,039      | 2,562,828                 |
| Business-type activities capital assets, net | \$ 2,214,513                    | (189,055) | -          | 2,025,458                 |

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular

\$ 534,361

Support services:

Student services

140

Instructional staff services

7,838

Administration

17,309

Operation and maintenance of plant

107,349

Transportation

14,555

681,552

Unallocated

5,597,841

Total depreciation expense - governmental activities

\$ 6,279,393

Business type activities:

Food services

\$ 331,469

Community education

12,658

\$ 344,127

(6) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2017 are summarized as follows:

|                                       | Balance<br>Beginning<br>of Year | Additions  | Reductions | Balance<br>End of<br>Year | Due<br>Within<br>One Year |
|---------------------------------------|---------------------------------|------------|------------|---------------------------|---------------------------|
| <b>Governmental activities:</b>       |                                 |            |            |                           |                           |
| General obligation bonds              | \$ 90,630,000                   | 30,915,000 | 11,780,000 | 109,765,000               | 9,095,000                 |
| Premiums on general obligation bonds  | 2,564,445                       | 2,563,541  | 639,120    | 4,488,866                 | 670,313                   |
| Discounts on general obligation bonds | (168,350)                       | (93,365)   | (32,804)   | (228,911)                 | (33,134)                  |
| Subtotal general obligation bonds     | 93,026,095                      | 33,385,176 | 12,386,316 | 114,024,955               | 9,732,179                 |
| Revenue bonds                         | 63,240,000                      | -          | 3,920,000  | 59,320,000                | 4,065,000                 |
| Premiums on revenue bonds             | 2,293,384                       | -          | 174,229    | 2,119,155                 | 174,229                   |
| Discounts on revenue bonds            | (721,678)                       | -          | (55,849)   | (665,829)                 | (55,849)                  |
| Subtotal revenue bonds                | 64,811,706                      | -          | 4,038,380  | 60,773,326                | 4,183,380                 |
| Capital loan notes                    | 13,655,000                      | -          | 975,000    | 12,680,000                | 2,045,000                 |
| Premiums on capital loan notes        | 1,535,301                       | -          | 221,971    | 1,313,330                 | 221,971                   |
| Discounts on capital loan notes       | (33,390)                        | -          | (4,827)    | (28,563)                  | (4,827)                   |
| Subtotal capital loan notes           | 15,156,911                      | -          | 1,192,144  | 13,964,767                | 2,262,144                 |
| Early retirement                      | 738,486                         | -          | 333,119    | 405,367                   | 88,067                    |
| Net pension liability                 | 33,948,854                      | 12,073,960 | -          | 46,022,814                | -                         |
| Net OPEB liability                    | 4,911,249                       | 730,241    | -          | 5,641,490                 | -                         |
| Compensated absences                  | 413,879                         | 468,840    | 413,879    | 468,840                   | 468,840                   |
| Subtotal governmental activities      | 213,007,180                     | 46,658,217 | 18,363,838 | 241,301,559               | 16,734,610                |

(6) Long-Term Liabilities (continued from previous page)

|                                   | Balance<br>Beginning<br>of Year | Additions  | Reductions | Balance<br>End of<br>Year | Due<br>Within<br>One Year |
|-----------------------------------|---------------------------------|------------|------------|---------------------------|---------------------------|
| <b>Business type activities:</b>  |                                 |            |            |                           |                           |
| Net pension liability             | \$ 1,778,637                    | 637,061    | -          | 2,415,698                 | -                         |
| Net OPEB liability                | 346,549                         | 43,416     | -          | 389,965                   | -                         |
| Compensated absences              | 29,224                          | 30,200     | 29,224     | 30,200                    | 30,200                    |
| Subtotal business type activities | 2,154,410                       | 710,677    | 29,224     | 2,835,863                 | 30,200                    |
| Total                             | \$ 215,161,590                  | 47,368,894 | 18,393,062 | 244,137,422               | 16,764,810                |

Capital Loan Notes Payable

The district issued \$13,655,000 on May 24, 2017 in capital loan notes for the capital building and equipment purchases for the centralized transportation facility, central receiving facility and shared fueling station. The capital loan notes will be repaid using property tax collected in the Capital Projects, Physical Plant and Equipment Levy Fund. Details of the District's June 30, 2017 capital loan note indebtedness are as follows:

| Year<br>Ending<br>June 30, | May 24, 2016 Issue |               |           |            |
|----------------------------|--------------------|---------------|-----------|------------|
|                            | Interest<br>Rates  | Principal     | Interest  | Total      |
| 2018                       | 5.00%              | \$ 2,045,000  | 546,750   | 2,591,750  |
| 2019                       | 5.00%              | 2,070,000     | 444,500   | 2,514,500  |
| 2020                       | 5.00%              | 2,095,000     | 341,000   | 2,436,000  |
| 2021                       | 5.00%              | 2,125,000     | 236,250   | 2,361,250  |
| 2022                       | 2.00%              | 2,155,000     | 130,000   | 2,285,000  |
| 2023                       | 4.00%              | 2,190,000     | 43,800    | 2,233,800  |
|                            |                    | \$ 12,680,000 | 1,742,300 | 14,422,300 |

Revenue Bonds

The district issued \$18,900,000 on March 1, 2007 in revenue bonds for the capital facility construction of Maple Grove Elementary and South Middle School. During the year ended June 30, 2012, the district advance refunded \$5,900,000 of the March 1, 2007 revenue bond and issued \$22,335,000 on June 19, 2012 in revenue bonds. The revenue bond proceeds were used for the capital facility construction of Woodland Hills Elementary. The district issued \$16,785,000 on July 10, 2013 and \$16,690,000 on April 1, 2014 in revenue bonds for the capital facility construction of Timberline. The district issued \$19,990,000 on June 9, 2015 in revenue bonds for the capital facility construction of the Waukee Innovation and Learning Center (WILC). The revenue bonds will be repaid using statewide sales, service and use tax collected in the Capital Projects, Statewide Sales, Services and Use Tax Fund. Details of the District's June 30, 2017 revenue bond indebtedness is as follows:

| Year<br>Ending<br>June 30, | June 19, 2012 Refunding Bond Issue |               |           | July 10, 2013 Issue |               |           |
|----------------------------|------------------------------------|---------------|-----------|---------------------|---------------|-----------|
|                            | Interest<br>Rates                  | Principal     | Interest  | Interest<br>Rates   | Principal     | Interest  |
| 2018                       | 3.00%                              | \$ 945,000    | 476,400   | 2.00%               | \$ 995,000    | 445,675   |
| 2019                       | 3.00%                              | 965,000       | 448,050   | 2.00%               | 1,015,000     | 425,775   |
| 2020                       | 3.00%                              | 990,000       | 419,100   | 2.00%               | 1,040,000     | 405,475   |
| 2021                       | 3.00%                              | 1,015,000     | 389,400   | 3.00%               | 1,065,000     | 374,275   |
| 2022                       | 3.00%                              | 1,045,000     | 358,950   | 3.00%               | 1,095,000     | 342,325   |
| 2023-2027                  | 3.00-4.00%                         | 5,810,000     | 1,233,200 | 3.00-3.75%          | 6,000,000     | 1,178,050 |
| 2028-2029                  | 4.00%                              | 2,650,000     | 160,000   | 4.00%               | 2,695,000     | 162,600   |
| Total                      |                                    | \$ 13,420,000 | 3,485,100 |                     | \$ 13,905,000 | 3,334,175 |

(6) Long-Term Liabilities (continued from previous page)  
 Revenue Bonds (continued from previous page)

| Year<br>Ending<br>June 30, | April 1, 2014 Issue  |                      |                   | June 9, 2015 Issue |                      |                  |
|----------------------------|----------------------|----------------------|-------------------|--------------------|----------------------|------------------|
|                            | Interest<br>Rates    | Principal            | Interest          | Interest<br>Rates  | Principal            | Interest         |
| 2018                       | 5.00%                | \$ 975,000           | 565,206           | 5.00%              | \$ 1,150,000         | 581,975          |
| 2019                       | 5.00%                | 995,000              | 516,456           | 5.00%              | 1,245,000            | 524,475          |
| 2020                       | 5.00%                | 1,025,000            | 466,706           | 2.00%              | 1,330,000            | 462,225          |
| 2021                       | 5.00%                | 1,055,000            | 415,456           | 3.00%              | 1,390,000            | 435,625          |
| 2022                       | 5.00%                | 1,095,000            | 362,706           | 3.00%              | 1,445,000            | 393,925          |
| 2023-2027                  | 3.00-4.00%           | 6,165,000            | 1,166,231         | 3.00-3.125%        | 7,840,000            | 1,293,715        |
| 2028-2029                  | 3.375-3.625%         | 2,865,000            | 155,213           | 3.25-3.375%        | 3,420,000            | 171,875          |
| Total                      |                      | <u>\$ 14,175,000</u> | <u>3,647,974</u>  |                    | <u>\$ 17,820,000</u> | <u>3,863,815</u> |
| <u>Total</u>               |                      |                      |                   |                    |                      |                  |
|                            | Principal            | Interest             | Total             |                    |                      |                  |
| 2017                       | \$ 4,065,000         | 2,069,256            | 6,134,256         |                    |                      |                  |
| 2018                       | 4,220,000            | 1,914,756            | 6,134,756         |                    |                      |                  |
| 2019                       | 4,385,000            | 1,753,506            | 6,138,506         |                    |                      |                  |
| 2020                       | 4,525,000            | 1,614,756            | 6,139,756         |                    |                      |                  |
| 2021                       | 4,680,000            | 1,457,906            | 6,137,906         |                    |                      |                  |
| 2022-2026                  | 25,815,000           | 4,871,196            | 30,686,196        |                    |                      |                  |
| 2027-2029                  | 11,630,000           | 649,688              | 12,279,688        |                    |                      |                  |
| Total                      | <u>\$ 59,320,000</u> | <u>14,331,064</u>    | <u>73,651,064</u> |                    |                      |                  |

The district has pledged future statewide sales, services and use tax revenues to repay the \$63,240,000 bonds issued June 19, 2012, July 10, 2013, April 1, 2015 and June 9, 2015. The statewide sales, services and use tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenue received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. The total principal and interest remaining to be paid on the bonds is \$73,651,064. For the current year, principal of \$3,920,000 and interest of \$2,217,507 was paid on the bonds and total statewide sales and services tax revenues were \$9,020,585.

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

- a) \$6,140,463 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2017.



(6) Long-Term Liabilities (continued from previous page)

General Obligation Bonds

During the year ended June 30, 2008 the district issued refunding General Obligation Bonds of \$10,000,000 for capital facility construction. During the year ended June 30, 2009 the district issued General Obligation Bonds of \$50,000,000 for capital facility construction. During the year ended June 30, 2010 the district issued refunding General Obligation Bonds of \$2,395,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. During the year ended June 30, 2010 the district issued refunding General Obligation Bonds of \$15,915,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. During the year ended June 30, 2011 the district issued General Obligation Bonds of \$10,000,000 for capital facility construction for the High School addition project. During the year ended June 30, 2012 the district issued refunding General Obligation Bonds of \$8,390,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. During the year ended June 30, 2015 the district issued refunding General Obligation Bonds of \$6,330,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. During the year ended June 30, 2015 the district issued General Obligation Bonds of \$18,900,000 for capital facility construction for Grant Ragan Elementary. During the year ended June 30, 2015 the district issued refunding General Obligation Bonds of \$2,745,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. Details of the District's June 30, 2017 general obligation bonded indebtedness are as follows:

| Year<br>Ending<br>June 30, | April 1, 2008 Issue |                     |                | May 1, 2009 Issue |                      |                   |
|----------------------------|---------------------|---------------------|----------------|-------------------|----------------------|-------------------|
|                            | Interest<br>Rates   | Principal           | Interest       | Interest<br>Rates | Principal            | Interest          |
| 2018                       | 3.50%               | \$ 355,000          | 193,202        | 4.00%             | \$ 1,500,000         | 1,780,181         |
| 2019                       | 4.00%               | 375,000             | 114,178        | 4.00%             | 1,560,000            | 1,720,181         |
| 2020                       | 4.00%               | 390,000             | 99,178         | 4.00%             | 1,560,000            | 1,449,031         |
| 2021                       | 4.00%               | 410,000             | 83,577         | 4.00%             | 1,625,000            | 1,386,631         |
| 2022                       | 3.65%               | 425,000             | 67,178         | 4.00%             | 1,690,000            | 1,321,632         |
| 2023-2027                  | 3.70-4.00%          | 1,325,000           | 103,465        | 4.125-5.00%       | 23,485,000           | 4,846,657         |
| 2028                       |                     | -                   | -              | 5.00%             | 3,105,000            | 155,250           |
| Total                      |                     | <u>\$ 3,280,000</u> | <u>660,778</u> |                   | <u>\$ 34,525,000</u> | <u>12,659,563</u> |

| Year<br>Ending<br>June 30, | April 1, 2010 Refunding Bond Issue |                      |                  | July 13, 2011 Issue |                     |                |
|----------------------------|------------------------------------|----------------------|------------------|---------------------|---------------------|----------------|
|                            | Interest<br>Rates                  | Principal            | Interest         | Interest<br>Rates   | Principal           | Interest       |
| 2018                       | 3.00%                              | \$ 765,000           | 380,450          | 2.00%               | \$ 785,000          | 156,830        |
| 2019                       | 3.00%                              | 1,090,000            | 357,500          | 2.20%               | 805,000             | 141,130        |
| 2020                       | 3.25%                              | 2,380,000            | 324,800          | 2.35%               | 830,000             | 123,420        |
| 2021                       | 3.50%                              | 3,045,000            | 247,450          | 2.55%               | 860,000             | 103,915        |
| 2022                       | 3.50%                              | 2,005,000            | 140,875          | 2.75%               | 890,000             | 81,985         |
| 2023-2027                  | 3.50%                              | 2,020,000            | 70,700           | 3.00-3.10%          | 1,885,000           | 87,270         |
| 2028                       |                                    | -                    | -                |                     | -                   | -              |
| Total                      |                                    | <u>\$ 11,305,000</u> | <u>1,521,775</u> |                     | <u>\$ 6,055,000</u> | <u>694,550</u> |

(6) Long-Term Liabilities (continued from previous page)  
 General Obligation Bonds (continued from previous page)

| Year<br>Ending<br>June 30, | June 5, 2012 Refunding Bond Issue |              |           | July 24, 2014 Refunding Bond Issue |              |          |
|----------------------------|-----------------------------------|--------------|-----------|------------------------------------|--------------|----------|
|                            | Interest<br>Rates                 | Principal    | Interest  | Interest<br>Rates                  | Principal    | Interest |
| 2018                       | 3.00%                             | \$ 195,000   | 234,750   | 2.00%                              | \$ 1,705,000 | 58,800   |
| 2019                       | 3.00%                             | 200,000      | 228,900   | 2.00%                              | 1,235,000    | 24,700   |
| 2020                       | 3.00%                             | 385,000      | 222,900   | -                                  | -            | -        |
| 2021                       | 3.00%                             | 385,000      | 211,350   | -                                  | -            | -        |
| 2022                       | 3.00%                             | 1,465,000    | 199,800   | -                                  | -            | -        |
| 2023-2027                  | 3.00%                             | 5,195,000    | 265,200   | -                                  | -            | -        |
| 2028                       | -                                 | -            | -         | -                                  | -            | -        |
| Total                      |                                   | \$ 7,825,000 | 1,362,900 |                                    | \$ 2,940,000 | 83,500   |

| Year<br>Ending<br>June 30, | August 13, 2014 Issue |               |           | March 24, 2015 Refunding Bond Issue |              |          |
|----------------------------|-----------------------|---------------|-----------|-------------------------------------|--------------|----------|
|                            | Interest<br>Rates     | Principal     | Interest  | Interest<br>Rates                   | Principal    | Interest |
| 2018                       | 5.00%                 | \$ 2,965,000  | 562,000   | 4.00%                               | \$ 825,000   | 50,100   |
| 2019                       | 5.00%                 | 3,120,000     | 413,750   | 2.00%                               | 855,000      | 17,100   |
| 2020                       | 5.00%                 | 1,300,000     | 257,750   | -                                   | -            | -        |
| 2021                       | 5.00%                 | 1,855,000     | 192,750   | -                                   | -            | -        |
| 2022                       | 5.00%                 | 2,000,000     | 100,000   | -                                   | -            | -        |
| 2023-2027                  | -                     | -             | -         | -                                   | -            | -        |
| 2028                       | -                     | -             | -         | -                                   | -            | -        |
| Total                      |                       | \$ 11,240,000 | 1,526,250 |                                     | \$ 1,680,000 | 67,200   |

| Year<br>Ending<br>June 30, | October 4, 2016 Refunding Bond Issue |               |           | Total          |              |             |
|----------------------------|--------------------------------------|---------------|-----------|----------------|--------------|-------------|
|                            | Interest<br>Rates                    | Principal     | Interest  | Principal      | Interest     | Total       |
| 2018                       | 5.00%                                | \$ -          | 945,300   | \$ 9,095,000   | \$ 4,361,613 | 13,456,613  |
| 2019                       | 5.00%                                | -             | 945,300   | 9,240,000      | 3,962,739    | 13,202,739  |
| 2020                       | 5.00%                                | 1,540,000     | 945,300   | 8,385,000      | 3,422,379    | 11,807,379  |
| 2021                       | 5.00%                                | 1,620,000     | 868,300   | 9,800,000      | 3,093,973    | 12,893,973  |
| 2022                       | 5.00%                                | 1,705,000     | 787,300   | 10,180,000     | 2,698,770    | 12,878,770  |
| 2023-2027                  | 2.00-5.00%                           | 23,370,000    | 2,353,350 | 57,280,000     | 7,726,642    | 65,006,642  |
| 2028                       | 2.25%                                | 2,680,000     | 60,300    | 5,785,000      | 215,550      | 6,000,550   |
| Total                      |                                      | \$ 30,915,000 | 6,905,150 | \$ 109,765,000 | 25,481,666   | 135,246,666 |

Early Retirement

The District does not offer an early retirement plan each year. The District offered a voluntary early retirement plan to its employees in 2015-16. Eligible employees were at least 55 years old on June 30 and employees completed 10 years of continuous service to the District. Employees filed a letter of intent which was required to be approved by the Board of Education.

The early retirement incentive offered in 2015-16 for each eligible employee was equal to 50% of the current year's base salary. In addition, the District paid an amount equal to \$5,600 per year towards the cost of medical insurance until the employee becomes eligible for Medicare. The early retirement cash benefits were paid in July following the start of retirement into a tax shelter annuity in the State of Iowa plan of the employees' choice. Early retirement benefits are paid by the Special Revenue, Management Levy Fund.

(6) *Long-Term Liabilities (continued from previous page)*  
*Early Retirement (continued from previous page)*

At June 30, 2017, the District has obligations to 20 participants with a total liability of \$405,367. Actual early retirement expenditures for the year ended June 30, 2017 totaled \$333,119. The early retirement is recorded as a long-term liability of the governmental activities in the government-wide financial statements.

(7) **Advance Refunding**

On October 4, 2016, the District issued \$30,915,000 in general obligation bonds to crossover advance refund \$31,465,000 of outstanding general obligation bonds dated May 1, 2009. The proceeds of the refunding issue have been placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. The new advance refunding bonds have been added to the appropriate financial statements and schedules. The district remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2017, \$31,465,000 of such bonds are outstanding. Principal of \$0 and interest of \$622,322 was paid on the bond during the fiscal year ended June 30, 2017. This crossover advance refunding did not have a financial impact as the present value of the future payments was equal to the bond principal and premium.

During the year ended June 30, 2017, the District advance funded \$2,775,000 of general obligation bonds dated April 1, 2008 and July 23, 2009. The pre-levy property taxes were placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. This advance refunding was undertaken to reduce total debt service payments over the next twelve years by \$3,493,492 and resulted in an economic gain of \$705,938.

During the year ended June 30, 2014, the District advance funded \$1,670,000 of general obligation bonds dated May 1, 2009. The pre-levy property taxes were placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. This advance refunding was undertaken to reduce total debt service payments over the next fifteen years by \$2,421,500 and resulted in an economic gain of \$856,482.

During the year ended June 30, 2013, the District advance funded \$2,505,000 of general obligation bonds dated May 1, 2009. The pre-levy property taxes were placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. This advance refunding was undertaken to reduce total debt service payments over the next fifteen years by \$3,632,250 and resulted in an economic gain of \$1,242,554.

(8) **Operating Leases**

The District is obligated under an equipment lease for an SUV and two trucks. These leases are accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and therefore are not included as capital assets or long-term liabilities in the Government-wide financial statements. The agreement provides for monthly lease payments of \$442 for the SUV, \$493 for the truck, and \$498 for the truck. The total payments under the lease agreement for the year ended June 30, 2017 were \$16,559.

(8) *Operating Leases (Continued)*

The total annual lease payments under the lease agreements are as follows:

| Year ending June 30, | SUV<br>Lease | Truck<br>Lease | Truck<br>Lease | Total<br>Leases |
|----------------------|--------------|----------------|----------------|-----------------|
| 2018                 | \$ 5,304     | 5,919          | 5,980          | 11,899          |
| 2019                 | 5,304        | 5,919          | 5,980          | 11,899          |
| 2020                 | 884          | 5,919          | 5,980          | 11,899          |
| 2021                 | -            | 493            | 5,980          | 6,473           |
| 2022                 | -            | -              | 498            | 498             |
|                      | \$ 11,492    | 18,250         | 24,418         | 42,668          |

(9) **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](http://www.ipers.org).

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

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

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

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

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

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

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the

Waukee Community School District  
Notes to Financial Statements  
June 30, 2017

(9) Pension Plan (Continued)

unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2017, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2017 were \$5,367,223.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the District reported a liability of \$48,438,512 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2016, the District's collective proportion was 0.77625 percent, which was an increase of 0.10946 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$5,745,035. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expensed and actual experience   | \$ 428,101                        | -                                |
| Changes of assumptions  | 739,021                           | -                                |
| Net difference between projected and actual earnings on pension plan investments                              | 12,895,107                        | 6,572,242                        |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 5,085,303                         | -                                |
| District contributions subsequent to the measurement date   | 5,367,223                         | -                                |
| <b>Total</b>  | <b>\$ 24,514,755</b>              | <b>6,572,242</b>                 |

\$5,367,223 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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<br>June 30, |
|--------------|------------------------|
| 2018         | \$ 2,439,866           |
| 2019         | 2,439,866              |
| 2020         | 4,841,064              |
| 2021         | 2,719,357              |
| 2022         | 177,957                |
| <b>Total</b> | <b>\$ 12,618,110</b>   |

There were no non-employer contributing entities at IPERS.

(9) Pension Plan (Continued)

Actuarial Assumptions - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  |   |
|--|---|
| Rate of inflation<br>(effective June 30, 2014)                   | 3.00 percent per annum  |
| Rates of salary increase<br>(effective June 30, 2010)            | 4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.          |
| Long-term investment rate of return<br>(effective June 30, 1996) | 7.50 percent, compounded annually, net of investment expense, including inflation             |
| Wage growth<br>(effective June 30, 1996)                         | 4.00 percent, per annum, based on 3.00 percent inflation and 1.00 percent real wage inflation |

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

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

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

| Asset Class            | Asset Allocation | Long-Term Expected Real Rate of Return |
|------------------------|------------------|--|
| Core Plus Fixed Income | 28%              | 1.90%                                  |
| Domestic Equity        | 24%              | 5.85%                                  |
| International Equity   | 16%              | 6.32%                                  |
| Private Equity         | 11%              | 10.31%                                 |
| Real Estate            | 8%               | 3.89%                                  |
| Credit Opportunities   | 5%               | 4.48%                                  |
| US TIPS                | 5%               | 1.30%                                  |
| Other Real Assets      | 2%               | 6.42%                                  |
| Cash                   | 1%               | -0.26%                                 |
| Total                  | 100%             |  |

Discount Rate - The discount rate used to measure the total pension liability was 7.5 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 that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. These rates are shown in the table above.

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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

Waukee Community School District  
Notes to Financial Statements  
June 30, 2017

(9) Pension Plan (Continued)

|  | 1%<br>Decrease<br>(6.5%) | Discount<br>Rate<br>(7.5%) | 1%<br>Increase<br>(8.5%) |
|--|--------------------------|----------------------------|--------------------------|
| District's proportionate share of<br>the net pension liability | \$78,366,959             | \$48,438,513               | \$23,178,513             |

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](http://www.ipers.org).

Payables to the Pension Plan - At June 30, 2017, the District reported payables to the defined benefit pension plan of \$429,268 for legally required employer contributions and \$286,019 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

(10) Other Post-Employment Benefits (OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 1,134 active and 26 retired members in the plan. Participants must be age 55 or older at retirement and must have been employed full time by the District for a minimum of 15 consecutive years prior to the retirement year. The plan is administered by the District and the District has the authority to establish or amend the plan provisions or contribution requirements within the sections of the Code. The plan does not issue as stand-alone financial report.

The medical/prescription drug coverage provides eligible retirees with health care coverage through one of two medical plans offered through Wellmark: Blue Access HMO and Alliance Select PPO. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - 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.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the years ended June 30, 2017, 2016 and 2015 the amount actually contributed to the plan and changes in the District's net OPEB obligation:

|  | 2017         | 2016      | 2015      |
|--|--------------|-----------|-----------|
| Annual required contribution               | \$ 856,000   | 896,000   | 896,000   |
| Interest on net OPEB obligation            | 210,000      | 199,459   | 153,000   |
| Adjustment to annual required contribution | (187,798)    | (163,679) | (133,000) |
| Annual OPEB cost                           | 878,202      | 931,780   | 916,000   |
| Contributions made                         | (104,545)    | (106,406) | (76,839)  |
| Increase in net OPEB obligation            | 773,657      | 825,374   | 839,161   |
| Net OPEB obligation beginning of year      | 5,257,798    | 4,432,424 | 3,593,263 |
| Net OPEB obligation end of year            | \$ 6,031,455 | 5,257,798 | 4,432,424 |

For calculation of the net OPEB obligation, the actuary has used the valuation day as July 1, 2016. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2017.

(10) *Other Post-Employment Benefits (OPEB) (continued from previous page)*

For the year ended June 30, 2017, the District contributed \$104,545. Retiree and active members receiving benefits contributed \$53,667 through their required contribution based on which plan the employee belongs to and whether single or family coverage is elected.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2017 are summarized as follows:

| Year Ended    | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---------------|------------------|--|---------------------|
| June 30, 2015 | \$ 916,000       | 8.39%                                      | \$ 4,432,424        |
| June 30, 2016 | 931,780          | 11.42%                                     | 5,257,798           |
| June 30, 2017 | 878,202          | 11.90%                                     | 6,031,455           |

Funded Status and Funding Progress - As of July 1, 2016, the most recent actuarial valuation date for the period July 1, 2016 through June 30, 2017, the actuarial accrued liability was \$5,324,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,324,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$60,873,820 and the ratio of the UAAL to covered payroll was 8.7%. As of June 30, 2017, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2016 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumption includes a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 7.5%. The ultimate medical trend rate is 4.5%. The medical trend rate is reduced 0.5% each year until reaching the 4.5% ultimate trend rate. Both rates include a 0% inflation rate assumption.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2016 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2016.

The District will pay an amount not to exceed \$5,600 per year toward the cost of the single medical insurance premium. Premium amounts in excess of \$5,600 annually will be the responsibility of the retiree. This allowance is available each year until the employee becomes eligible for Medicare. Employees may not choose to receive the insurance allowance in cash in lieu of medical coverage.

There are currently 16 grandfathered retirees receiving a subsidy for the District under different retirement provisions. Below is a description of the monthly subsidy levels by retirement year paid by the District.



(10) *Other Post-Employment Benefits (OPEB) (continued from previous page)*

| Date Retired        | HMO       | PPO       |
|---------------------|-----------|-----------|
| 7/1/08 thru 6/30/09 | \$ 261.96 | \$ 339.45 |
| 7/1/09 thru 6/30/11 | 375.00    | 375.00    |
| 7/1/12 thru 6/30/13 | 400.00    | 400.00    |
| 7/1/14 thru 6/30/15 | 433.33    | 433.33    |

Per capita health claim costs are developed by age adjusting the premiums shown above.  
The age 60 per capita health claim costs for retirees and spouses are as follows:

| Per Capita Cost | HMO      | PPO       |
|-----------------|----------|-----------|
| Premium         | \$ 8,227 | \$ 10,874 |

The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(11) **Risk Management**

Waukeee Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. During the year ended June 30, 2017, there were no significant reductions in coverage. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Partial Self-Funded Dental Insurance Plan

The District began a partial self-funded dental insurance plan during the year ended June 30, 2005. The plan is administered through a service agreement with Mercer. The District assumes liability for a maximum of the first \$1,000 of dental claims for each employee who participates in the plan. Employees participating in the plan are charged a premium each year to cover any estimated costs of the plan. The District reports the plan in the Internal Service, Self-Funded Dental Plan Fund. There was no claims liability at June 30, 2017.

A reconciliation of changes in the aggregate liabilities for claims for year ending is as follows:

|                                    | 2017    | 2016    |
|------------------------------------|---------|---------|
| Unpaid claims at beginning of year | \$ -    | -       |
| Incurred claims                    | 521,168 | 427,896 |
| Payment                            | 521,168 | 427,896 |
| Unpaid claims at end of year       | \$ -    | -       |

Self-Funded Health Insurance Plan

The District began a partial self-funded health insurance plan during the year ended June 30, 2013. The District has established the internal service fund to account for premium and claim payments for a self-insured group health insurance plan for the District's employees to meet potential losses from medical claims. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 125 percent of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess \$120,000 in insured claims for any one covered individual. Settled claims have not exceeded the commercial coverage in any of the past three calendar years.

Payments are made to the plan based on actuarial estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred

(11) Risk Management (continued from previous page)

but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of claims payable during the years ended June 30, 2017 and 2016 are as follows:

|                                    | 2017              | 2016           |
|------------------------------------|-------------------|----------------|
| Unpaid claims at beginning of year | \$ 706,686        | 691,516        |
| Incurred claims                    | 5,181,520         | 4,712,450      |
| Payment                            | 5,178,120         | 4,697,280      |
| Unpaid claims at end of year       | <u>\$ 710,086</u> | <u>706,686</u> |

Each participating fund makes payments to the self-insurance fund for amounts which are determined based on historical claims experience. Such payments are displayed on the financial statements as revenues and expenditures/expenses. There have been no significant reductions in insurance coverage from the past three years.

(12) 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 \$4,136,701 for the year ended June 30, 2017 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(13) 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 otherwise 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.

Tax Abatements of Other Entities

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

| Entity                  | Tax Abatement Program                           | Amount of Tax Abated    |
|-------------------------|---|-------------------------|
| City of Waukee          | Urban renewal and economic development projects | \$149,657               |
| City of West Des Moines | Urban renewal and economic development projects | \$472,247               |
| Dallas County           | Urban renewal and economic development projects | <u>\$0</u>              |
| Total                   |   | <u><u>\$621,904</u></u> |

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2017, this reimbursement amounted to \$315,545.

**(14) Construction Commitments**

The District has active construction projects as of June 30, 2017. The projects include construction on the HS Security project, District-wide Security project, Radiant Elementary building project and Waukee Middle school HVAC project. At the end of the year, the District paid \$2,295,518 with \$15,206,583 of outstanding contract agreements to be paid upon completion of the capital projects.

**(15) Restricted Categorical Funds**

The District's restricted fund balance for categorical funds at June 30, 2017 is comprised of the following programs:

| <u>Program</u>                                     | <u>Amount</u>       |
|--|---------------------|
| Educator quality, model core curriculum            | \$ 251,590          |
| Educator quality, professional development         | 271,606             |
| Returning dropouts and dropout prevention programs | 68,877              |
| Teacher salary supplement                          | 77,337              |
| Teacher leadership                                 | 1,068,266           |
| Successful progression for early readers           | 112                 |
| Total categorical funding                          | <u>\$ 1,737,788</u> |

**(16) Due from Other Governments**

Amount due from other governments by Fund as of June 30, 2017 are as follows:

|                                       | <u>Governmental Activities</u> |                              |                          | <u>Business Type</u>                       | <u>Grand Total</u> |
|---------------------------------------|--------------------------------|------------------------------|--------------------------|--|--------------------|
|                                       | <u>General Fund</u>            | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Activities Nonmajor Enterprise Fund</u> |                    |
| Local sources:                        |                                |                              |                          |  |                    |
| Tuition                               | \$ 617,009                     | -                            | -                        | -  | 617,009            |
| Statewide sales, services and use tax | -                              | 752,200                      | -                        | -  | 752,200            |
| Summer classes                        | -                              | -                            | -                        | 480  | 480                |
|                                       | <u>617,009</u>                 | <u>752,200</u>               | <u>-</u>                 | <u>480</u>                                 | <u>1,369,689</u>   |
| State sources:                        |                                |                              |                          |  |                    |
| Non-public transportation             | 279,985                        | -                            | -                        | -  | 279,985            |
| Foster care special ed claim          | 73,073                         | -                            | -                        | -  | 73,073             |
| Vocational aid                        | 26,621                         | -                            | -                        | -  | 26,621             |
| Military credit                       | 312                            | 44                           | 106                      | -  | 462                |
|                                       | <u>379,991</u>                 | <u>44</u>                    | <u>106</u>               | <u>-</u>                                   | <u>380,141</u>     |
| Federal sources:                      |                                |                              |                          |  |                    |
| Title I                               | 52,170                         | -                            | -                        | -  | 52,170             |
| Title I SINA                          | 4,670                          | -                            | -                        | -  | 4,670              |
| Title IIA                             | 53,837                         | -                            | -                        | -  | 53,837             |
| Summer food service program           | -                              | -                            | -                        | 4,860                                      | 4,860              |
| Erate reimbursement                   | 19,482                         | 31,104                       | -                        | -  | 50,586             |
| Medicaid reimbursement                | 318                            | -                            | -                        | -  | 318                |
| Part B high cost claim                | 11,752                         | -                            | -                        | -  | 11,752             |
|                                       | <u>142,229</u>                 | <u>31,104</u>                | <u>-</u>                 | <u>4,860</u>                               | <u>178,193</u>     |
| Total due from other governments      | <u>\$ 1,139,229</u>            | <u>783,348</u>               | <u>106</u>               | <u>5,340</u>                               | <u>1,928,023</u>   |

**(17) Disaggregation of Receivables and Payables**

Receivables and payables are disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the next year.

**(18) Contingent Liabilities**

As of June 30, 2017, the District does not have any contingent liabilities.

**(19) Reconciliation of Governmental Fund Balances to Net Position**

The following is the detailed reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.

|  | Net investment<br>in Capital Assets | Management<br>Levy | Debt<br>Service  | Unassigned/<br>Unrestricted |
|--|-------------------------------------|--------------------|------------------|-----------------------------|
| <b>Fund balance (Exhibit C)</b>                  | \$ -                                | 2,043,050          | 39,939,750       | 9,742,758                   |
| Capital assets, net of accumulated depreciation  | 243,194,231                         | -                  | -                | -                           |
| General obligation bond capitalized indebtedness | (114,024,955)                       | -                  | -                | -                           |
| Revenue bond capitalized indebtedness            | (60,773,326)                        | -                  | -                | -                           |
| Capital loan note capitalized indebtedness       | (13,964,767)                        | -                  | -                | -                           |
| Refunding bond escrow                            | 32,833,016                          | -                  | (32,833,016)     | -                           |
| Early retirement payable                         | -                                   | (405,367)          | -                | -                           |
| Accrued interest payable                         | -                                   | -                  | (581,468)        | -                           |
| Internal service net position                    | -                                   | -                  | -                | 4,342,235                   |
| Inventories                                      | -                                   | -                  | -                | 27,453                      |
| Compensated absences payable                     | -                                   | -                  | -                | (468,840)                   |
| Net pension liability                            | -                                   | -                  | -                | (46,022,814)                |
| Net OPEB liability                               | -                                   | -                  | -                | (5,641,490)                 |
| Pension related deferred outflows                | -                                   | -                  | -                | 23,291,648                  |
| Pension related deferred inflows                 | -                                   | -                  | -                | (6,260,680)                 |
| <b>Net position (Exhibit A)</b>                  | <b>\$ 87,264,199</b>                | <b>1,637,683</b>   | <b>6,525,266</b> | <b>(20,989,730)</b>         |

**(20) Subsequent Event**

The District issued \$14,700,000 in Statewide Sales, Services and Use Tax Revenue Bonds on October 19, 2017. The bond proceeds will be used to finance construction costs for the Radiant Elementary building project. Radiant Elementary is anticipated to be completed and open for the start of the 2019-20 school year.

**(21) New Accounting Pronouncement**

The District adopted the tax abatement disclosure guidance set forth in Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transactions more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements. The Notes to Financial Statements include information about tax abatements of other entities which impact the District.

**(22) Prospective Accounting Change**

The Governmental Accounting Standards Board has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement will be implemented for the fiscal year ending June 30, 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with postemployment benefits other than pensions, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's other postemployment benefits.

Required Supplementary Information

Waukee Community School District  
 Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances  
 Budget and Actual - All Governmental Funds and Proprietary Funds  
 Required Supplementary Information  
 Year ended June 30, 2017

|  | Governmental<br>Funds<br>Actual | Proprietary<br>Funds<br>Actual | Total Actual | Budgeted<br>Amounts<br>Original | Budgeted<br>Amounts<br>Final | Final to Actual<br>Variance-<br>Positive<br>(Negative) |
|--|---------------------------------|--------------------------------|--------------|---------------------------------|------------------------------|--|
| Revenues:  |                                 |                                |              |                                 |                              |  |
| Local sources  | \$ 64,627,862                   | 6,335,062                      | 70,962,924   | 71,484,352                      | 71,484,352                   | (521,428)  |
| State sources  | 65,246,440                      | 32,111                         | 65,278,551   | 66,797,087                      | 66,797,087                   | (1,518,536)  |
| Federal sources  | 1,812,276                       | 1,496,825                      | 3,309,101    | 2,945,621                       | 2,945,621                    | 363,480  |
| Total revenues   | 131,686,578                     | 7,863,998                      | 139,550,576  | 141,227,060                     | 141,227,060                  | (1,676,484)  |
| Expenditures:  |                                 |                                |              |                                 |                              |  |
| Instruction  | 64,507,600                      | -                              | 64,507,600   | 67,010,750                      | 67,010,750                   | 2,503,150  |
| Support services   | 29,714,154                      | 353,231                        | 30,067,385   | 33,210,500                      | 33,210,500                   | 3,143,115  |
| Non-instructional programs                                       | -                               | 7,704,728                      | 7,704,728    | 8,050,000                       | 8,050,000                    | 345,272  |
| Other expenditures   | 47,593,656                      | -                              | 47,593,656   | 60,911,487                      | 60,911,487                   | 13,317,831   |
| Total expenditures   | 141,815,410                     | 8,057,959                      | 149,873,369  | 169,182,737                     | 169,182,737                  | 19,309,368   |
| Deficiency of revenues under expenditures                        | (10,128,832)                    | (193,961)                      | (10,322,793) | (27,955,677)                    | (27,955,677)                 | 17,632,884   |
| Other financing sources (uses), net                              | 30,412,392                      | 196,730                        | 30,609,122   | -                               | -                            | 30,609,122   |
| Excess of revenues and other financing sources over expenditures | 20,283,560                      | 2,769                          | 20,286,329   | (27,955,677)                    | (27,955,677)                 | 48,242,006   |
| Balances beginning of year                                       | 59,028,331                      | 4,096,298                      | 63,124,629   | 45,599,306                      | 45,599,306                   | 17,525,323   |
| Balances end of year   | \$ 79,311,891                   | 4,099,067                      | 83,410,958   | 17,643,629                      | 17,643,629                   | 65,767,329   |

See accompanying independent auditor's report.

(1) **Basis of Presentation**

The District operates within the budget requirements for school districts as specified by state law and as prescribed by the Iowa Department of Management. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

For the fiscal year beginning July 1, a proposed budget is adopted by the Board and filed with the County Auditor no later than April 15. The budget is certified by the County Auditor to the Department of Management.

Once adopted, the budget can be amended by the Board. The amendment must be published and a public hearing conducted prior to the amendment. Any amendments must be certified to the County Auditor no later than May 31. The proposed expenditure budget is advertised in the local newspaper, together with a notice of public hearing.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for a budgeted governmental and enterprise funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations, as adopted and amended, lapse at the end of the fiscal year.

The District is required by the Code of Iowa to budget for its share of media, education services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$4,136,701 for the year ended June 30, 2017.

Waukeee Community School District  
Schedule of Funding Progress for the Retiree Health Plan  
Required Supplementary Information  
Year ended June 30, 2017

| Year Ended<br>June 30, | Actuarial<br>Valuation Date | Actuarial Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>(b) | Unfunded AAL<br>(UAAL)<br>(b-a) | Funded Ratio<br>(a/b) | Covered Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|------------------------|-----------------------------|-------------------------------------|---|---------------------------------|-----------------------|------------------------|---|
| 2011                   | July 1, 2010                | \$ -                                | 5,253,000                                   | 5,253,000                       | 0.0%                  | 31,893,162             | 16.5%   |
| 2012                   | July 1, 2010                | -                                   | 5,253,000                                   | 5,253,000                       | 0.0%                  | 37,224,617             | 14.1%   |
| 2013                   | July 1, 2012                | -                                   | 3,974,000                                   | 3,974,000                       | 0.0%                  | 40,908,492             | 9.7%  |
| 2014                   | July 1, 2012                | -                                   | 3,974,000                                   | 3,974,000                       | 0.0%                  | 46,257,859             | 8.6%  |
| 2015                   | July 1, 2014                | -                                   | 4,875,000                                   | 4,875,000                       | 0.0%                  | 50,106,700             | 9.7%  |
| 2016                   | July 1, 2014                | -                                   | 4,875,000                                   | 4,875,000                       | 0.0%                  | 56,470,975             | 8.6%  |
| 2017                   | July 1, 2016                | -                                   | 5,324,000                                   | 5,324,000                       | 0.0%                  | 60,873,820             | 8.7%  |

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.



Waukee Community School District  
 Schedule of District's Proportionate Share of the Net Pension Liability  
 Iowa Public Employees' Retirement System  
 Last Three Fiscal Year\*  
 (In Thousands)  
 Required Supplementary Information

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|   | 2017      | 2016      | 2015      |
|---|-----------|-----------|-----------|
| District's proportion of the net pension liability  | 0.776250% | 0.718654% | 0.667265% |
| District's proportionate share of the net pension liability   | \$48,439  | \$35,727  | \$27,005  |
| District's covered-employee payroll   | \$56,471  | \$49,598  | \$45,000  |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 85.78%    | 72.03%    | 60.01%    |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 81.82%    | 85.19%    | 87.61%    |

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

See accompanying independent auditor's report.

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

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

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|   | 2017           | 2016           | 2015           | 2014           |
|---|----------------|----------------|----------------|----------------|
| Statutorily required contribution                                     | \$5,367        | \$4,931        | \$4,429        | \$4,018        |
| Contributions in relation to the<br>statutorily required contribution | <u>(5,367)</u> | <u>(4,931)</u> | <u>(4,429)</u> | <u>(4,018)</u> |
| Contribution deficiency (excess)                                      | \$0            | \$0            | \$0            | \$0            |
| District's covered-employee payroll                                   | \$60,874       | \$56,471       | \$49,598       | \$45,000       |
| Contributions as a percentage of<br>covered-employee payroll          | 8.93%          | 8.93%          | 8.93%          | 8.93%          |

See accompanying independent auditor's report.

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| 2013     | 2012     | 2011     | 2010     | 2009     | 2008     |
|----------|----------|----------|----------|----------|----------|
| \$3,573  | \$3,040  | \$2,389  | \$2,169  | \$1,889  | \$1,542  |
| (3,573)  | (3,040)  | (2,389)  | (2,169)  | (1,889)  | (1,542)  |
| \$0      | \$0      | \$0      | \$0      | \$0      | \$0      |
| \$41,214 | \$37,673 | \$34,377 | \$32,615 | \$29,741 | \$25,489 |
| 8.67%    | 8.07%    | 6.95%    | 6.65%    | 6.35%    | 6.05%    |

Changes of benefit terms:

Legislation enacted 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.

Legislative action in 2008 transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Changes of assumptions:

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

- Decreased the inflation assumption from 3.25 percent to 3.00 percent
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- 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

Waukee Community School District  
 Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2017

|   | Special Revenue     |                  |                  |
|---|---------------------|------------------|------------------|
|   | Management Levy     | Student Activity | Total            |
| <b>Assets</b>   |                     |                  |                  |
| Current assets:   |                     |                  |                  |
| Cash, cash equivalents and pooled investments                             | \$ 2,049,671        | 543,276          | 2,592,947        |
| Receivables:  |                     |                  |                  |
| Property tax:   |                     |                  |                  |
| Succeeding year   | 599,995             | -                | 599,995          |
| Accounts  | -                   | 1,073            | 1,073            |
| <b>Total assets</b>   | <b>\$ 2,649,666</b> | <b>544,349</b>   | <b>3,194,015</b> |
| <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>       |                     |                  |                  |
| Current liabilities:  |                     |                  |                  |
| Accounts payable  | \$ 1,256            | 28,747           | 30,003           |
| Deposits payable  | 5,365               | -                | 5,365            |
| <b>Total liabilities</b>  | <b>6,621</b>        | <b>28,747</b>    | <b>35,368</b>    |
| Deferred inflows of resources:  |                     |                  |                  |
| Unavailable revenues:   |                     |                  |                  |
| Succeeding year property tax  | 599,995             | -                | 599,995          |
| <b>Total deferred inflows of resources</b>                                | <b>599,995</b>      | <b>-</b>         | <b>599,995</b>   |
| Fund balances:  |                     |                  |                  |
| Restricted for:   |                     |                  |                  |
| Management levy purposes  | 2,043,050           | -                | 2,043,050        |
| Student activities  | -                   | 515,602          | 515,602          |
| <b>Total fund balances</b>  | <b>2,043,050</b>    | <b>515,602</b>   | <b>2,558,652</b> |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 2,649,666</b> | <b>544,349</b>   | <b>3,194,015</b> |

See accompanying independent auditor's report.

Waukee Community School District  
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Non-Major Governmental Funds  
 Year ended June 30, 2017

|   | Special Revenue |                  |           |
|---|-----------------|------------------|-----------|
|   | Management Levy | Student Activity | Total     |
| Revenues:   |                 |                  |           |
| Local sources:  |                 |                  |           |
| Other   | \$ 50,223       | 1,336,717        | 1,386,940 |
| Total revenues  | 50,223          | 1,336,717        | 1,386,940 |
| Expenditures:   |                 |                  |           |
| Current:  |                 |                  |           |
| Instruction:  |                 |                  |           |
| Regular   | 633,694         | -                | 633,694   |
| Other   | -               | 1,419,291        | 1,419,291 |
| Support services:   |                 |                  |           |
| Administration  | 7,700           | -                | 7,700     |
| Operation and maintenance of plant                                    | 297,243         | -                | 297,243   |
| Total expenditures  | 938,637         | 1,419,291        | 2,357,928 |
| Deficiency of revenues under expenditures                             | (888,414)       | (82,574)         | (970,988) |
| Other financing sources:  |                 |                  |           |
| Transfer in   | -               | 30,232           | 30,232    |
| Deficiency of revenues and other financing sources under expenditures | (888,414)       | (52,342)         | (940,756) |
| Fund balances beginning of year                                       | 2,931,464       | 567,944          | 3,499,408 |
| Fund balances end of year   | \$ 2,043,050    | 515,602          | 2,558,652 |

See accompanying independent auditor's report.

Waukee Community School District  
Combining Balance Sheet  
Capital Projects Fund Accounts  
June 30, 2017

|   | Capital Projects                            |   |                              | Total             |
|---|---|---|------------------------------|-------------------|
|   | Statewide<br>Sales, Services<br>and Use Tax | Physical Plant<br>and Equipment<br>Levy | Other<br>Capital<br>Projects |                   |
| <b>Assets</b>   |   |   |                              |                   |
| Current assets:   |   |   |                              |                   |
| Cash, cash equivalents and pooled investments                                 | \$ 27,239,709                               | 4,879,274                               | 40,000                       | 32,158,983        |
| Receivables:  |   |   |                              |                   |
| Property tax:   |   |   |                              |                   |
| Delinquent  | -   | 8,106                                   | -                            | 8,106             |
| Succeeding year   | -   | 6,805,137                               | -                            | 6,805,137         |
| Accounts  | -   | 7,344                                   | -                            | 7,344             |
| Due from other governments  | 783,304                                     | 44                                      | -                            | 783,348           |
| Prepaid expenses  | -   | 58,961                                  | -                            | 58,961            |
| <b>Total assets</b>   | <b>\$ 28,023,013</b>                        | <b>11,758,866</b>                       | <b>40,000</b>                | <b>39,821,879</b> |
| <b>Liabilities, Deferred Inflows of Resources<br/>and Fund Balances</b>       |   |   |                              |                   |
| Current liabilities:  |   |   |                              |                   |
| Accounts payable  | \$ 342,641                                  | 98,228                                  | 7,638                        | 448,507           |
| Contracts payable   | 657,973                                     | 424,309                                 | 40,000                       | 1,122,282         |
| <b>Total liabilities</b>  | <b>1,000,614</b>                            | <b>522,537</b>                          | <b>47,638</b>                | <b>1,570,789</b>  |
| Deferred inflows of resources:  |   |   |                              |                   |
| Unavailable revenues:   |   |   |                              |                   |
| Succeeding year property tax  | -   | 6,805,137                               | -                            | 6,805,137         |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>                                    | <b>6,805,137</b>                        | <b>-</b>                     | <b>6,805,137</b>  |
| Fund balances:  |   |   |                              |                   |
| Restricted for:   |   |   |                              |                   |
| Debt service  | 6,140,463                                   | -                                       | -                            | 6,140,463         |
| School infrastructure   | 20,881,936                                  | -                                       | -                            | 20,881,936        |
| Physical plant and equipment  | -   | 4,431,192                               | (7,638)                      | 4,423,554         |
| <b>Total fund balances</b>  | <b>27,022,399</b>                           | <b>4,431,192</b>                        | <b>(7,638)</b>               | <b>31,445,953</b> |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 28,023,013</b>                        | <b>11,758,866</b>                       | <b>40,000</b>                | <b>39,821,879</b> |

See accompanying independent auditor's report.



Waukee Community School District  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Capital Projects Fund Accounts  
Year ended June 30, 2017

|   | Capital Projects                            |   |                              | Total        |
|---|---|---|------------------------------|--------------|
|   | Statewide<br>Sales, Services<br>and Use Tax | Physical Plant<br>and Equipment<br>Levy | Other<br>Capital<br>Projects |              |
| Revenues:   |   |   |                              |              |
| Local sources:  |   |   |                              |              |
| Local tax   | \$ -  | 6,175,388                               | -                            | 6,175,388    |
| Other   | 162,490                                     | 68,335                                  | 556                          | 231,381      |
| State sources   | 9,020,585                                   | 232,520                                 | -                            | 9,253,105    |
| Total revenues  | 9,183,075                                   | 6,476,243                               | 556                          | 15,659,874   |
| Expenditures:   |   |   |                              |              |
| Current:  |   |   |                              |              |
| Instruction:  |   |   |                              |              |
| Regular   | -   | 59,688                                  | -                            | 59,688       |
| Support services:   |   |   |                              |              |
| Instructional staff   | -   | 862,688                                 | -                            | 862,688      |
| Administration  | 15,484                                      | 9,019                                   | -                            | 24,503       |
| Operation and maintenance of plant  | -   | 68,628                                  | -                            | 68,628       |
| Other expenditures:   |   |   |                              |              |
| Facilities acquisition  | 6,575,004                                   | 14,687,081                              | 1,004,802                    | 22,266,887   |
| Total expenditures  | 6,590,488                                   | 15,687,104                              | 1,004,802                    | 23,282,394   |
| Excess (Deficiency) of revenues over (under) expenditures   | 2,592,587                                   | (9,210,861)                             | (1,004,246)                  | (7,622,520)  |
| Other financing sources:  |   |   |                              |              |
| Transfers in  | -   | -                                       | 417,206                      | 417,206      |
| Transfers out   | (6,556,713)                                 | (1,572,389)                             | -                            | (8,129,102)  |
| Total other financing sources (uses)  | (6,556,713)                                 | (1,572,389)                             | 417,206                      | (7,711,896)  |
| Excess (Deficiency) of revenues and other financing sources<br>over (under) expenditures and other financing uses | (3,964,126)                                 | (10,783,250)                            | (587,040)                    | (15,334,416) |
| Fund balances beginning of year   | 30,986,525                                  | 15,214,442                              | 579,402                      | 46,780,369   |
| Fund balances end of year   | \$ 27,022,399                               | 4,431,192                               | (7,638)                      | 31,445,953   |

See accompanying independent auditor's report.

Waukee Community School District  
Combining Schedule of Net Position  
Proprietary Funds  
June 30, 2017

|   | Business Type Activities  |                     |                  | Governmental Activities |                         |                         |                  |
|---|---------------------------|---------------------|------------------|-------------------------|-------------------------|-------------------------|------------------|
|   | Nonmajor Enterprise Funds |                     |                  | Internal Service Funds  |                         |                         |                  |
|   | School Nutrition          | Community Education | Total            | Flexible Benefits       | Self-funded Dental Plan | Self-funded Health Plan | Total            |
| <b>Assets</b>                                 |                           |                     |                  |                         |                         |                         |                  |
| Current assets:                               |                           |                     |                  |                         |                         |                         |                  |
| Cash, cash equivalents and pooled investments | \$ 2,053,678              | 2,191,923           | 4,245,601        | 179,973                 | 473,277                 | 4,399,071               | 5,052,321        |
| Receivables:                                  |                           |                     |                  |                         |                         |                         |                  |
| Accounts                                      | -                         | 168                 | 168              | -                       | -                       | -                       | -                |
| Due from other governments                    | 4,860                     | 480                 | 5,340            | -                       | -                       | -                       | -                |
| Inventories                                   | 46,239                    | 18,373              | 64,612           | -                       | -                       | -                       | -                |
| Total current assets                          | <u>2,104,777</u>          | <u>2,210,944</u>    | <u>4,315,721</u> | <u>179,973</u>          | <u>473,277</u>          | <u>4,399,071</u>        | <u>5,052,321</u> |
| Noncurrent assets:                            |                           |                     |                  |                         |                         |                         |                  |
| Capital assets:                               |                           |                     |                  |                         |                         |                         |                  |
| Equipment                                     | 4,502,105                 | 86,181              | 4,588,286        | -                       | -                       | -                       | -                |
| Accumulated depreciation                      | (2,502,199)               | (60,629)            | (2,562,828)      | -                       | -                       | -                       | -                |
| Total noncurrent assets                       | <u>1,999,906</u>          | <u>25,552</u>       | <u>2,025,458</u> | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>         |
| <b>Total assets</b>                           | <u>4,104,683</u>          | <u>2,236,496</u>    | <u>6,341,179</u> | <u>179,973</u>          | <u>473,277</u>          | <u>4,399,071</u>        | <u>5,052,321</u> |
| <b>Deferred Outflows of Resources</b>         |                           |                     |                  |                         |                         |                         |                  |
| Pension related deferred outflows             | 723,988                   | 499,119             | 1,223,107        | -                       | -                       | -                       | -                |
| <b>Liabilities</b>                            |                           |                     |                  |                         |                         |                         |                  |
| Current liabilities:                          |                           |                     |                  |                         |                         |                         |                  |
| Accounts payable                              | 15,978                    | 59,325              | 75,303           | -                       | -                       | -                       | -                |
| Salaries and benefits payable                 | 9,853                     | 101,654             | 111,507          | -                       | -                       | -                       | -                |
| Compensated absences                          | 6,840                     | 23,360              | 30,200           | -                       | -                       | -                       | -                |
| Incurred but not reported claims              | -                         | -                   | -                | -                       | -                       | 710,086                 | 710,086          |
| Advances from prepaid lunches                 | 125,824                   | -                   | 125,824          | -                       | -                       | -                       | -                |
| Advances from prepaid tuition                 | -                         | 5,160               | 5,160            | -                       | -                       | -                       | -                |
| Total current liabilities                     | <u>158,495</u>            | <u>189,499</u>      | <u>347,994</u>   | <u>-</u>                | <u>-</u>                | <u>710,086</u>          | <u>710,086</u>   |
| Noncurrent liabilities:                       |                           |                     |                  |                         |                         |                         |                  |
| Net pension liability                         | 1,426,024                 | 989,674             | 2,415,698        | -                       | -                       | -                       | -                |
| Net OPEB liability                            | 275,575                   | 114,390             | 389,965          | -                       | -                       | -                       | -                |
| Total noncurrent liabilities                  | <u>1,701,599</u>          | <u>1,104,064</u>    | <u>2,805,663</u> | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>         |
| <b>Total liabilities</b>                      | <u>1,860,094</u>          | <u>1,293,563</u>    | <u>3,153,657</u> | <u>-</u>                | <u>-</u>                | <u>710,086</u>          | <u>710,086</u>   |
| <b>Deferred Inflows of Resources</b>          |                           |                     |                  |                         |                         |                         |                  |
| Pension related deferred inflows              | 191,419                   | 120,143             | 311,562          | -                       | -                       | -                       | -                |
| <b>Net Position</b>                           |                           |                     |                  |                         |                         |                         |                  |
| Investment in capital assets                  | 1,999,906                 | 25,552              | 2,025,458        | -                       | -                       | -                       | -                |
| Unrestricted                                  | 777,252                   | 1,296,357           | 2,073,609        | 179,973                 | 473,277                 | 3,688,985               | 4,342,235        |
| <b>Total net position</b>                     | <u>\$ 2,777,158</u>       | <u>1,321,909</u>    | <u>4,099,067</u> | <u>179,973</u>          | <u>473,277</u>          | <u>3,688,985</u>        | <u>4,342,235</u> |

See accompanying independent auditor's report.

Waukee Community School District  
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
Year ended June 30, 2017

|                                     | Business Type Activities  |                     |             | Governmental Activities |                         |                         |           |
|-------------------------------------|---------------------------|---------------------|-------------|-------------------------|-------------------------|-------------------------|-----------|
|                                     | Nonmajor Enterprise Funds |                     |             | Internal Service Funds  |                         |                         |           |
|                                     | School Nutrition          | Community Education | Total       | Flexible Benefits       | Self-funded Dental Plan | Self-funded Health Plan | Total     |
| Operating revenue:                  |                           |                     |             |                         |                         |                         |           |
| Local sources:                      |                           |                     |             |                         |                         |                         |           |
| Charges for services                | \$ 3,639,832              | 2,684,226           | 6,324,058   | 723,326                 | 502,840                 | 7,296,543               | 8,522,709 |
| Operating expenses:                 |                           |                     |             |                         |                         |                         |           |
| Support services:                   |                           |                     |             |                         |                         |                         |           |
| Administration:                     |                           |                     |             |                         |                         |                         |           |
| Benefits                            | -                         | -                   | -           | 720,813                 | 447,616                 | 5,869,074               | 7,037,503 |
| Purchased services                  | 18,325                    | 184,438             | 202,763     | 40,781                  | 73,552                  | 65,431                  | 179,764   |
| Supplies                            | 12,790                    | -                   | 12,790      | -                       | -                       | 2,738                   | 2,738     |
| Other                               | -                         | -                   | -           | -                       | -                       | 2,902                   | 2,902     |
|                                     | 31,115                    | 184,438             | 215,553     | 761,594                 | 521,168                 | 5,940,145               | 7,222,907 |
| Operation and maintenance of plant: |                           |                     |             |                         |                         |                         |           |
| Purchased services                  | 65,102                    | -                   | 65,102      | -                       | -                       | -                       | -         |
| Supplies                            | 4,264                     | -                   | 4,264       | -                       | -                       | -                       | -         |
|                                     | 69,366                    | -                   | 69,366      | -                       | -                       | -                       | -         |
| Transportation:                     |                           |                     |             |                         |                         |                         |           |
| Purchased services                  | -                         | 68,312              | 68,312      | -                       | -                       | -                       | -         |
| Total support services              | 100,481                   | 252,750             | 353,231     | 761,594                 | 521,168                 | 5,940,145               | 7,222,907 |
| Non-instructional programs:         |                           |                     |             |                         |                         |                         |           |
| Food service operations:            |                           |                     |             |                         |                         |                         |           |
| Salaries                            | 1,789,042                 | -                   | 1,789,042   | -                       | -                       | -                       | -         |
| Benefits                            | 646,303                   | -                   | 646,303     | -                       | -                       | -                       | -         |
| Purchased services                  | 149,603                   | -                   | 149,603     | -                       | -                       | -                       | -         |
| Supplies                            | 2,243,594                 | -                   | 2,243,594   | -                       | -                       | -                       | -         |
| Other                               | 3,115                     | -                   | 3,115       | -                       | -                       | -                       | -         |
| Depreciation                        | 331,469                   | -                   | 331,469     | -                       | -                       | -                       | -         |
|                                     | 5,163,126                 | -                   | 5,163,126   | -                       | -                       | -                       | -         |
| Other enterprise operations:        |                           |                     |             |                         |                         |                         |           |
| Salaries                            | -                         | 1,693,305           | 1,693,305   | -                       | -                       | -                       | -         |
| Benefits                            | -                         | 532,564             | 532,564     | -                       | -                       | -                       | -         |
| Purchased services                  | -                         | 15,433              | 15,433      | -                       | -                       | -                       | -         |
| Supplies                            | -                         | 284,672             | 284,672     | -                       | -                       | -                       | -         |
| Other                               | -                         | 2,970               | 2,970       | -                       | -                       | -                       | -         |
| Depreciation                        | -                         | 12,658              | 12,658      | -                       | -                       | -                       | -         |
|                                     | -                         | 2,541,602           | 2,541,602   | -                       | -                       | -                       | -         |
| Total non-instructional programs    | 5,163,126                 | 2,541,602           | 7,704,728   | -                       | -                       | -                       | -         |
| Total operating expenses            | 5,263,607                 | 2,794,352           | 8,057,959   | 761,594                 | 521,168                 | 5,940,145               | 7,222,907 |
| Operating income (loss)             | (1,623,775)               | (110,126)           | (1,733,901) | (38,268)                | (18,328)                | 1,356,398               | 1,299,802 |

Waukee Community School District  
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
Year ended June 30, 2017

|                                     | Business Type Activities  |                     |                     | Governmental Activities |                         |                         |                  |
|-------------------------------------|---------------------------|---------------------|---------------------|-------------------------|-------------------------|-------------------------|------------------|
|                                     | Nonmajor Enterprise Funds |                     |                     | Internal Service Funds  |                         |                         |                  |
|                                     | School Nutrition          | Community Education | Total               | Flexible Benefits       | Self-funded Dental Plan | Self-funded Health Plan | Total            |
| <i>Continued from previous page</i> |                           |                     |                     |                         |                         |                         |                  |
| Non-operating revenues:             |                           |                     |                     |                         |                         |                         |                  |
| Interest on investments             | 2,446                     | 8,558               | 11,004              | -                       | 1,815                   | 19,247                  | 21,062           |
| State sources                       | 32,111                    | -                   | 32,111              | -                       | -                       | -                       | -                |
| Federal sources                     | 1,496,825                 | -                   | 1,496,825           | -                       | -                       | -                       | -                |
| Total non-operating revenues        | <u>1,531,382</u>          | <u>8,558</u>        | <u>1,539,940</u>    | <u>-</u>                | <u>1,815</u>            | <u>19,247</u>           | <u>21,062</u>    |
| Income (loss) before transfers      | (92,393)                  | (101,568)           | (193,961)           | (38,268)                | (16,513)                | 1,375,645               | 1,320,864        |
| Transfers:                          |                           |                     |                     |                         |                         |                         |                  |
| Transfers in                        | <u>1,504</u>              | <u>195,226</u>      | <u>196,730</u>      | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>         |
| Changes in net position             | (90,889)                  | 93,658              | 2,769               | (38,268)                | (16,513)                | 1,375,645               | 1,320,864        |
| Net position beginning of year      | <u>2,868,047</u>          | <u>1,228,251</u>    | <u>4,096,298</u>    | <u>218,241</u>          | <u>489,790</u>          | <u>2,313,340</u>        | <u>3,021,371</u> |
| Net position end of year            | <u>\$ 2,777,158</u>       | <u>\$ 1,321,909</u> | <u>\$ 4,099,067</u> | <u>179,973</u>          | <u>473,277</u>          | <u>3,688,985</u>        | <u>4,342,235</u> |

See accompanying independent auditor's report.

Waukeee Community School District  
Combining Schedule of Cash Flows  
Proprietary Funds  
Year ended June 30, 2017

|  | Business Type Activities  |                     |             | Governmental Activities |                         |                         |             |
|--|---------------------------|---------------------|-------------|-------------------------|-------------------------|-------------------------|-------------|
|  | Nonmajor Enterprise Funds |                     |             | Internal Service Funds  |                         |                         |             |
|  | School Nutrition          | Community Education | Total       | Flexible Benefits       | Self-funded Dental Plan | Self-funded Health Plan | Total       |
| <b>Cash flows from operating activities:</b>   |                           |                     |             |                         |                         |                         |             |
| Cash received from sale of lunches and breakfasts  | \$ 3,635,425              | -                   | 3,635,425   | -                       | -                       | -                       | -           |
| Cash received from miscellaneous operating activities  | 23,043                    | 2,687,738           | 2,710,781   | 723,326                 | 502,840                 | 7,296,543               | 8,522,709   |
| Cash payments to employees for services  | (2,382,571)               | (2,103,291)         | (4,485,862) | (761,594)               | (521,168)               | (5,936,787)             | (7,219,549) |
| Cash payments to suppliers for goods or services   | (2,161,824)               | (531,166)           | (2,692,990) | -                       | -                       | -                       | -           |
| Net cash provided (used) by operating activities   | (885,927)                 | 53,281              | (832,646)   | (38,268)                | (18,328)                | 1,359,756               | 1,303,160   |
| <b>Cash flows from non-capital financing activities:</b>   |                           |                     |             |                         |                         |                         |             |
| Transfers in   | 1,504                     | 195,226             | 196,730     | -                       | -                       | -                       | -           |
| State grants received  | 32,111                    | -                   | 32,111      | -                       | -                       | -                       | -           |
| Federal grants received  | 1,150,959                 | -                   | 1,150,959   | -                       | -                       | -                       | -           |
| Net cash provided by non-capital financing activities  | 1,184,574                 | 195,226             | 1,379,800   | -                       | -                       | -                       | -           |
| <b>Cash flows from capital and related financing activities:</b>   |                           |                     |             |                         |                         |                         |             |
| Acquisition of capital assets  | (147,813)                 | (7,259)             | (155,072)   | -                       | -                       | -                       | -           |
| Net cash used by capital and related financing activities  | (147,813)                 | (7,259)             | (155,072)   | -                       | -                       | -                       | -           |
| <b>Cash flows from investing activities:</b>   |                           |                     |             |                         |                         |                         |             |
| Interest on investments  | 2,446                     | 8,558               | 11,004      | -                       | 1,815                   | 19,247                  | 21,062      |
| Net increase (decrease) in cash and cash equivalents   | 153,280                   | 249,806             | 403,086     | (38,268)                | (16,513)                | 1,379,003               | 1,324,222   |
| Cash and cash equivalents at beginning of year   | 1,900,398                 | 1,942,117           | 3,842,515   | 218,241                 | 489,790                 | 3,020,068               | 3,728,099   |
| Cash and cash equivalents at end of year   | \$ 2,053,678              | 2,191,923           | 4,245,601   | 179,973                 | 473,277                 | 4,399,071               | 5,052,321   |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>                            |                           |                     |             |                         |                         |                         |             |
| Operating income (loss)  | \$ (1,623,775)            | (110,126)           | (1,733,901) | (38,268)                | (18,328)                | 1,356,398               | 1,299,802   |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:                            |                           |                     |             |                         |                         |                         |             |
| Commodities used   | 341,006                   | -                   | 341,006     | -                       | -                       | -                       | -           |
| Depreciation   | 331,469                   | 12,658              | 344,127     | -                       | -                       | -                       | -           |
| Decrease in accounts receivable  | -                         | 3,992               | 3,992       | -                       | -                       | -                       | -           |
| Increase in due from other governments   | -                         | (480)               | (480)       | -                       | -                       | -                       | -           |
| (Increase) decrease in inventories   | (8,284)                   | 7,153               | (1,131)     | -                       | -                       | -                       | -           |
| Increase (decrease) in accounts payable  | 2,247                     | 17,506              | 19,753      | -                       | -                       | (42)                    | (42)        |
| Increase (decrease) in salaries and benefits payable   | (2,438)                   | 38,916              | 36,478      | -                       | -                       | -                       | -           |
| Increase in incurred but not reported claims   | -                         | -                   | -           | -                       | -                       | 3,400                   | 3,400       |
| Increase in unearned revenue   | 18,636                    | -                   | 18,636      | -                       | -                       | -                       | -           |
| Increase (decrease) in compensated absences payable  | (1,786)                   | 2,762               | 976         | -                       | -                       | -                       | -           |
| Increase (decrease) in other post employment benefits payable  | (581)                     | 43,997              | 43,416      | -                       | -                       | -                       | -           |
| Increase in net pension liability  | 373,909                   | 263,152             | 637,061     | -                       | -                       | -                       | -           |
| Increase in deferred outflows of resources   | (264,947)                 | (190,085)           | (455,032)   | -                       | -                       | -                       | -           |
| Decrease in deferred inflows of resources  | (51,383)                  | (36,164)            | (87,547)    | -                       | -                       | -                       | -           |
| Net cash provided (used) by operating activities   | \$ (885,927)              | 53,281              | (832,646)   | (38,268)                | (18,328)                | 1,359,756               | 1,303,160   |
| <b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Schedule of Net Position:</b> |                           |                     |             |                         |                         |                         |             |
| <b>Current assets:</b>   |                           |                     |             |                         |                         |                         |             |
| Cash and investments   | \$ 2,053,678              | 2,191,923           | 4,245,601   | 179,973                 | 473,277                 | 4,399,071               | 5,052,321   |
| Cash and cash equivalents at year end  | \$ 2,053,678              | 2,191,923           | 4,245,601   | 179,973                 | 473,277                 | 4,399,071               | 5,052,321   |
| <b>Non-cash investing, capital and financing activities:</b>   |                           |                     |             |                         |                         |                         |             |
| Noncapital financing activities, commodities received from the US Department of Agriculture                                      | \$ 341,006                | -                   | 341,006     | -                       | -                       | -                       | -           |

See notes to financial statements.

Waukee Community School District  
 Schedule of Changes in Special Revenue Fund, Student Activity Accounts  
 Year ended June 30, 2017

| Account                   | Balance beginning<br>of Year | Transfers | Revenues | Expenditures | Balance End<br>of Year |
|---------------------------|------------------------------|-----------|----------|--------------|------------------------|
| <b>High School:</b>       |                              |           |          |              |                        |
| Art Club                  | \$ 259                       | -         | -        | -            | 259                    |
| Athletics                 | (63,585)                     | 30,232    | 437,398  | 513,357      | (109,312)              |
| Baseball                  | 15,501                       | -         | 12,688   | 25,936       | 2,253                  |
| Best Buddies              | 765                          | -         | 857      | 1,372        | 250                    |
| Boys Basketball           | 38,750                       | -         | 97,566   | 101,066      | 35,250                 |
| Boys Bowling              | 158                          | -         | 160      | 150          | 168                    |
| Boys Cross Country        | 16,718                       | -         | 18,676   | 30,615       | 4,779                  |
| Boys Golf                 | 1,652                        | -         | 2,233    | 3,188        | 697                    |
| Boys Soccer               | 3,478                        | -         | 9,744    | 12,183       | 1,039                  |
| Boys Swimming             | 11,639                       | -         | 8,307    | 15,142       | 4,804                  |
| Boys Tennis               | 8,895                        | -         | 16,246   | 14,941       | 10,200                 |
| Boys Track                | 8,958                        | -         | 17,386   | 20,267       | 6,077                  |
| Cheerleaders              | 13,909                       | -         | 55,210   | 72,516       | (3,397)                |
| Class of 2016             | 6,512                        | (6,466)   | -        | 46           | -                      |
| Class of 2017             | 20,253                       | -         | 12,925   | 15,826       | 17,352                 |
| Class of 2018             | 4,553                        | -         | 155      | -            | 4,708                  |
| Class of 2019             | -                            | -         | 5,130    | 152          | 4,978                  |
| Dance/Drill Team          | 1,381                        | -         | 85,497   | 82,704       | 4,174                  |
| Drama Troupe              | 2,536                        | 150       | 14,176   | 14,339       | 2,523                  |
| Drama                     | 7,053                        | -         | 8,085    | 8,103        | 7,035                  |
| Drumline                  | 73                           | -         | -        | -            | 73                     |
| Electrathon               | 895                          | -         | -        | -            | 895                    |
| Fashion Club              | 3,181                        | -         | 1,000    | 492          | 3,689                  |
| FCCLA Club                | 2,352                        | -         | 1,264    | 6,519        | (2,903)                |
| Flag Team/Color Guard     | 658                          | -         | -        | -            | 658                    |
| Football                  | 16,443                       | -         | 70,180   | 67,394       | 19,229                 |
| Future Farmers of America | 55                           | -         | 4,300    | 3,617        | 738                    |
| Girls Basketball          | 10,703                       | -         | 24,580   | 19,870       | 15,413                 |
| Girls Bowling             | 942                          | -         | 986      | 1,076        | 852                    |
| Girls Cross Country       | 8,089                        | -         | 8,908    | 2,963        | 14,034                 |
| Girls Golf                | 244                          | -         | 1,688    | 1,851        | 81                     |
| Girls Soccer              | (273)                        | -         | 2,770    | 1,514        | 983                    |
| Girls Swimming            | 7,561                        | -         | 3,673    | 8,078        | 3,156                  |
| Girls Tennis              | 1,359                        | -         | 156      | 797          | 718                    |
| Girls Track               | 12,203                       | -         | 13,882   | 18,937       | 7,148                  |
| Hyperstream               | 640                          | -         | 1,000    | -            | 1,640                  |
| Instrumental Music        | 576                          | -         | -        | -            | 576                    |
| International Club        | 614                          | -         | 4,189    | 4,211        | 592                    |
| Literacy magazine         | 94                           | -         | -        | -            | 94                     |
| Math Warriors             | 522                          | -         | -        | 192          | 330                    |
| Musical                   | 27,723                       | -         | 24,915   | 20,648       | 31,990                 |
| National Honor Society    | 2,427                        | -         | 9,276    | 10,570       | 1,133                  |
| Newspaper                 | 3,702                        | -         | 6,147    | 5,409        | 4,440                  |
| Pal PE                    | 121                          | -         | -        | 91           | 30                     |
| Prom                      | 15,048                       | -         | 18,989   | 16,507       | 17,530                 |
| ProStart                  | 12,931                       | -         | 1,863    | 875          | 13,919                 |
| Quiz Bowl                 | -                            | -         | 2,179    | 1,261        | 918                    |
| Robotics                  | 195                          | -         | 4,355    | 3,596        | 954                    |
| SELF Room                 | 1,400                        | -         | 442      | 212          | 1,630                  |
| Show Choir                | 30,264                       | -         | 52,057   | 24,176       | 58,145                 |
| Softball                  | 34,223                       | -         | 9,572    | 14,016       | 29,779                 |
| Sparkle Cheer             | -                            | -         | 17       | -            | 17                     |
| Speech                    | 13,295                       | -         | 310      | 3,984        | 9,621                  |
| Student Council           | 12,415                       | -         | 11,514   | 8,671        | 15,258                 |
| Student Management        | 2,078                        | 6,466     | 274      | 7,892        | 926                    |
| Track Club                | 14,701                       | -         | 18,678   | 19,370       | 14,009                 |

Waukee Community School District  
Schedule of Changes in Special Revenue Fund, Student Activity Accounts  
Year ended June 30, 2017

| Account                                | Balance beginning<br>of Year | Transfers | Revenues  | Expenditures | Balance End<br>of Year |
|--|------------------------------|-----------|-----------|--------------|------------------------|
| Vocal Music                            | 6,138                        | -         | -         | 1,013        | 5,125                  |
| Volleyball                             | 19,019                       | -         | 34,694    | 22,147       | 31,566                 |
| Weight Room                            | 8,074                        | -         | 16,453    | 13,717       | 10,810                 |
| <b><u>High School (continued):</u></b> |                              |           |           |              |                        |
| Wrestling                              | 2,895                        | -         | 20,998    | 21,662       | 2,231                  |
| Yearbook                               | 10,840                       | -         | 68,078    | 61,817       | 17,101                 |
| <b><u>Prairieview:</u></b>             |                              |           |           |              |                        |
| Art Club                               | 81                           | -         | 306       | -            | 387                    |
| Athletics                              | 14,240                       | -         | 20,596    | 19,494       | 15,342                 |
| Dance Troupe                           | 150                          | (150)     | -         | -            | -                      |
| Drama                                  | 4,412                        | -         | 3,158     | 1,613        | 5,957                  |
| Instrumental Music                     | 1,056                        | -         | -         | -            | 1,056                  |
| Student Council                        | 420                          | -         | -         | 255          | 165                    |
| Student Management                     | 3,274                        | -         | 151       | 824          | 2,601                  |
| TSA Club                               | 24                           | -         | -         | -            | 24                     |
| Yearbook                               | 2,941                        | -         | 10,345    | 6,887        | 6,399                  |
| <b><u>Timberline:</u></b>              |                              |           |           |              |                        |
| Art Club                               | 225                          | -         | -         | 202          | 23                     |
| Drama                                  | 11,343                       | -         | 5,384     | 3,823        | 12,904                 |
| Student Council                        | 193                          | -         | 651       | 334          | 510                    |
| Student Management                     | -                            | -         | 512       | 197          | 315                    |
| TSA Club                               | 529                          | -         | 4,121     | 2,449        | 2,201                  |
| Yearbook                               | 9,193                        | -         | 12,085    | 18,527       | 2,751                  |
| <b><u>Middle School:</u></b>           |                              |           |           |              |                        |
| Drama/Speech/Musical                   | 11,658                       | -         | 5,269     | 1,747        | 15,180                 |
| Student Management                     | 19,923                       | -         | 6,063     | 9,925        | 16,061                 |
| Instrumental Music                     | 2,466                        | -         | 233       | -            | 2,699                  |
| Swing Choir                            | 5,946                        | -         | -         | -            | 5,946                  |
| Vocal Music                            | -                            | -         | 42        | -            | 42                     |
| Yearbook                               | 29,005                       | -         | 7,900     | 7,551        | 29,354                 |
| <b><u>South Middle School:</u></b>     |                              |           |           |              |                        |
| Drama/Speech/Musical                   | 9,553                        | -         | 3,190     | 1,446        | 11,297                 |
| Student Council                        | 5,493                        | -         | 1,429     | 1,045        | 5,877                  |
| Student Management                     | 161                          | -         | -         | -            | 161                    |
| Swing Choir                            | 150                          | -         | -         | -            | 150                    |
| Vocal Music                            | 57                           | -         | -         | -            | 57                     |
| Yearbook                               | 18,967                       | -         | 6,900     | 6,674        | 19,193                 |
| <b><u>Elementary:</u></b>              |                              |           |           |              |                        |
| BV Student Council                     | 2,189                        | -         | -         | 339          | 1,850                  |
| BV Student Management                  | 3,216                        | -         | 1,460     | 2,464        | 2,212                  |
| Eason Student Management               | 16,777                       | -         | 2,562     | 6,018        | 13,321                 |
| MG Instrumental Music                  | 111                          | -         | -         | -            | 111                    |
| MG Student Management                  | 252                          | -         | -         | -            | 252                    |
| SE Student Council                     | 1,279                        | -         | -         | -            | 1,279                  |
| SE Student Management                  | 526                          | -         | -         | -            | 526                    |
| GR Fine Arts                           | -                            | -         | 2,534     | 429          | 2,105                  |
| WE Student Management                  | 6,897                        | -         | -         | -            | 6,897                  |
| WD Student Management                  | 3                            | -         | -         | -            | 3                      |
| WH Student Management                  | 1,429                        | -         | -         | -            | 1,429                  |
| Total                                  | \$ 567,944                   | 30,232    | 1,336,717 | 1,419,291    | 515,602                |

Waukee Community School District  
Schedule of Revenues by Source and Expenditures by Function  
All Governmental Funds  
For the Last Ten Years

|                                    | Modified Accrual Basis |             |             |             |             |            |            |             |            |            |
|------------------------------------|------------------------|-------------|-------------|-------------|-------------|------------|------------|-------------|------------|------------|
|                                    | 2017                   | 2016        | 2015        | 2014        | 2013        | 2012       | 2011       | 2010        | 2009       | 2008       |
| Revenues:                          |                        |             |             |             |             |            |            |             |            |            |
| Local sources:                     |                        |             |             |             |             |            |            |             |            |            |
| Local tax                          | \$ 59,674,862          | 52,002,933  | 47,307,958  | 44,483,899  | 49,429,235  | 46,100,059 | 44,584,830 | 40,946,587  | 38,492,214 | 32,425,053 |
| Tuition                            | 1,710,473              | 1,751,155   | 1,660,606   | 1,752,066   | 1,617,977   | 1,447,535  | 1,262,380  | 1,053,978   | 1,134,189  | 1,175,066  |
| Other                              | 3,242,527              | 2,952,944   | 2,585,797   | 2,594,529   | 2,240,380   | 2,211,111  | 2,165,795  | 3,375,273   | 2,185,922  | 2,432,638  |
| State sources                      | 65,246,440             | 58,731,590  | 52,001,373  | 46,168,070  | 33,947,675  | 31,651,321 | 26,672,882 | 21,558,200  | 23,361,214 | 21,804,292 |
| Federal sources                    | 1,812,276              | 1,528,465   | 1,502,340   | 1,440,092   | 1,370,769   | 1,160,750  | 2,788,705  | 4,132,391   | 1,021,619  | 479,500    |
| Total                              | \$ 131,686,578         | 116,967,087 | 105,058,074 | 96,438,656  | 88,606,036  | 82,570,776 | 77,474,592 | 71,066,429  | 66,195,158 | 58,316,549 |
| Expenditures:                      |                        |             |             |             |             |            |            |             |            |            |
| Instruction:                       |                        |             |             |             |             |            |            |             |            |            |
| Regular                            | \$ 45,273,569          | 39,972,389  | 39,600,308  | 36,743,084  | 33,376,569  | 30,670,571 | 27,556,857 | 27,511,695  | 23,090,642 | 20,040,299 |
| Special                            | 10,783,436             | 10,692,329  | 8,663,022   | 7,602,625   | 6,898,702   | 6,245,725  | 5,685,705  | 5,640,679   | 5,611,287  | 4,926,113  |
| Other                              | 8,450,595              | 9,394,975   | 6,861,561   | 5,908,587   | 5,418,825   | 4,822,790  | 4,629,290  | 3,624,135   | 2,932,365  | 2,389,598  |
| Support services:                  |                        |             |             |             |             |            |            |             |            |            |
| Student                            | 3,465,285              | 3,248,901   | 2,797,468   | 2,515,078   | 2,267,965   | 2,218,912  | 2,111,087  | 2,033,862   | 1,981,122  | 2,518,458  |
| Instructional staff                | 8,294,972              | 7,135,085   | 4,551,829   | 3,753,678   | 3,019,995   | 2,903,099  | 2,596,051  | 2,604,731   | 2,372,731  | 2,450,310  |
| Administration                     | 6,503,146              | 6,373,450   | 5,722,321   | 5,494,316   | 4,781,680   | 4,874,352  | 4,521,528  | 3,668,870   | 4,145,264  | 3,639,159  |
| Operation and maintenance of plant | 7,510,669              | 6,922,036   | 6,544,304   | 6,205,021   | 5,483,373   | 4,943,591  | 4,849,053  | 4,188,307   | 3,778,765  | 3,829,770  |
| Transportation                     | 3,940,082              | 3,742,596   | 3,598,409   | 3,166,791   | 3,145,487   | 2,952,847  | 2,582,297  | 2,344,507   | 2,084,532  | 1,981,897  |
| Non-instructional programs         | -                      | -           | -           | -           | -           | -          | -          | -           | -          | 29,955     |
| Other expenditures:                |                        |             |             |             |             |            |            |             |            |            |
| Capital outlay:                    |                        |             |             |             |             |            |            |             |            |            |
| Facilities acquisition             | 22,266,887             | 27,010,498  | 24,485,162  | 25,174,457  | 20,795,719  | 16,338,521 | 10,831,068 | 44,776,662  | 12,287,811 | 13,080,340 |
| Debt Service:                      |                        |             |             |             |             |            |            |             |            |            |
| Principal                          | 13,880,000             | 15,220,000  | 11,215,000  | 20,490,000  | 17,915,000  | 14,585,000 | 8,715,000  | 26,685,000  | 8,845,000  | 13,215,000 |
| Interest and other charges         | 7,310,068              | 6,504,104   | 6,441,461   | 5,519,777   | 5,350,619   | 4,881,486  | 4,970,492  | 5,777,565   | 3,593,137  | 3,106,109  |
| AEA flowthrough                    | 4,136,701              | 3,761,743   | 3,509,601   | 3,141,750   | 2,804,317   | 2,573,444  | 2,496,394  | 2,306,290   | 1,922,343  | 1,696,590  |
| Total                              | \$ 141,815,410         | 139,978,106 | 123,990,446 | 125,715,164 | 111,258,251 | 98,010,338 | 81,544,822 | 131,162,303 | 72,644,999 | 72,903,598 |

See accompanying independent auditor's report.



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

| <u>CONTENTS</u>   | <u>PAGE</u>      |
|---|------------------|
| <p><b>Financial Trends</b><br/>           These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>   | 84-92            |
| <p><b>Revenue Capacity</b><br/>           These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).</p>   | 93-103           |
| <p><b>Debt Capacity</b><br/>           These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.</p>                             | 104-111          |
| <p><b>Demographic and Economic Information</b><br/>           These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>  | 114-117          |
| <p><b>Operating Information</b><br/>           These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</p> | 112-113, 118-120 |

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

WAUKEE COMMUNITY SCHOOL DISTRICT

NET POSITION BY COMPONENT

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30,                                | 2017                  | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities:</b>                    |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 87,264,199         | \$ 77,596,227        | \$ 38,226,568        | \$ 50,821,587        | \$ 42,861,521        | \$ 18,653,123        | \$ 39,004,284        | \$ 33,034,650        | \$ 29,171,718        | \$ 18,331,620        |
| Restricted   | 35,721,829            | 30,593,382           | 59,346,172           | 37,769,176           | 34,262,277           | 46,889,652           | 17,089,247           | 11,605,994           | 4,452,801            | 9,922,010            |
| Unrestricted                                       | (20,989,730)          | (22,797,535)         | (24,633,898)         | 3,587,555            | 5,722,207            | 8,367,878            | 7,086,034            | 7,493,216            | 15,528,737           | 8,112,790            |
| <b>Total governmental activities net position</b>  | <b>\$ 101,996,298</b> | <b>\$ 85,392,074</b> | <b>\$ 72,938,842</b> | <b>\$ 92,178,318</b> | <b>\$ 82,846,005</b> | <b>\$ 73,910,653</b> | <b>\$ 63,179,565</b> | <b>\$ 52,133,860</b> | <b>\$ 49,153,256</b> | <b>\$ 36,366,420</b> |
| <b>Business type activities:</b>                   |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 2,025,458          | \$ 2,214,513         | \$ 2,223,321         | \$ 2,023,634         | \$ 1,950,023         | \$ 1,608,365         | \$ 1,713,938         | \$ 837,491           | \$ 961,494           | \$ 1,073,417         |
| Unrestricted                                       | 2,073,609             | 1,881,785            | 1,296,143            | 2,571,681            | 2,503,115            | 2,110,396            | 1,924,278            | 1,868,689            | 1,537,359            | 1,151,127            |
| <b>Total business type activities net position</b> | <b>\$ 4,099,067</b>   | <b>\$ 4,096,298</b>  | <b>\$ 3,519,464</b>  | <b>\$ 4,595,315</b>  | <b>\$ 4,453,138</b>  | <b>\$ 3,718,761</b>  | <b>\$ 3,638,216</b>  | <b>\$ 2,706,180</b>  | <b>\$ 2,498,853</b>  | <b>\$ 2,224,544</b>  |
| <b>Total</b>                                       |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 89,289,657         | \$ 79,810,740        | \$ 40,449,889        | \$ 52,845,221        | \$ 44,811,544        | \$ 20,261,488        | \$ 40,718,222        | \$ 33,872,141        | \$ 30,133,212        | \$ 19,405,037        |
| Restricted   | 35,721,829            | 30,593,382           | 59,346,172           | 37,769,176           | 34,262,277           | 46,889,652           | 17,089,247           | 11,605,994           | 4,452,801            | 9,922,010            |
| Unrestricted                                       | (18,916,121)          | (20,915,750)         | (23,337,755)         | 6,159,236            | 8,225,322            | 10,478,274           | 9,010,312            | 9,361,905            | 17,066,096           | 9,263,917            |
| <b>Total net position</b>                          | <b>\$ 106,095,365</b> | <b>\$ 89,488,372</b> | <b>\$ 76,458,306</b> | <b>\$ 96,773,633</b> | <b>\$ 87,299,143</b> | <b>\$ 77,629,414</b> | <b>\$ 66,817,781</b> | <b>\$ 54,840,040</b> | <b>\$ 51,652,109</b> | <b>\$ 38,590,964</b> |

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN NET POSITION

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30,                             | 2017            | 2016            | 2015            | 2014            | 2013            | 2012            | 2011            | 2010            | 2009            | 2008            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expenses</b>                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities:                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Instruction                                     | \$ 65,743,252   | \$ 59,495,975   | \$ 54,794,040   | \$ 50,142,591   | \$ 46,336,463   | \$ 42,519,470   | \$ 40,827,340   | \$ 39,751,992   | \$ 33,853,764   | \$ 29,165,013   |
| Support services                                | 33,355,924      | 30,119,154      | 24,651,302      | 24,216,376      | 21,048,302      | 18,361,448      | 16,998,032      | 15,156,524      | 13,692,553      | 13,714,587      |
| Non-instructional services                      | -               | -               | -               | -               | -               | 1,096           | 102,369         | 28,486          | -               | 21,238          |
| Other expenditures                              | 16,106,165      | 14,300,028      | 14,115,833      | 12,270,360      | 11,684,025      | 10,760,065      | 7,533,339       | 13,008,444      | 5,862,005       | 5,115,615       |
| Total governmental activities expenses          | 115,205,341     | 103,915,157     | 93,561,175      | 86,629,327      | 79,068,790      | 71,642,079      | 65,461,080      | 67,945,446      | 53,408,322      | 48,016,453      |
| Business type activities:                       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Instruction                                     | -               | -               | -               | -               | -               | -               | -               | -               | -               | 11,932          |
| Support services                                | 353,231         | 322,355         | 270,371         | 193,063         | 145,660         | 127,696         | -               | -               | 257,408         | 359,328         |
| Food service operations                         | 5,163,126       | 4,966,488       | 4,687,754       | 4,368,264       | 3,739,271       | 3,496,079       | 3,463,106       | 2,861,494       | 2,429,393       | 2,133,551       |
| Childcare operations                            | -               | -               | -               | 1,302,248       | 959,791         | 867,705         | 823,806         | 688,651         | 608,006         | 506,525         |
| Community education operations                  | 2,541,602       | 2,181,670       | 1,914,052       | 329,456         | 287,337         | 258,963         | 269,799         | 212,864         | -               | -               |
| Total business type activities expenses         | 8,057,959       | 7,470,513       | 6,872,177       | 6,193,031       | 5,132,059       | 4,750,443       | 4,556,711       | 3,763,009       | 3,294,807       | 3,011,336       |
| Total expenses                                  | \$123,263,300   | \$111,385,670   | \$100,433,352   | \$92,822,358    | \$84,200,849    | \$76,392,522    | \$70,017,791    | \$71,708,455    | \$56,703,129    | \$51,027,789    |
| <b>Program Revenues</b>                         |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges for services:                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Instruction                                     | \$ 3,233,755    | \$ 3,229,823    | \$ 3,040,348    | \$ 3,050,145    | \$ 2,782,680    | \$ 2,558,577    | \$ 2,322,286    | \$ 2,102,794    | \$ 1,982,236    | \$ 2,057,688    |
| Support services                                | 255,919         | 336,739         | 302,541         | 274,001         | 275,251         | 273,682         | 223,783         | 193,524         | 145,499         | 138,536         |
| Operating grants and contributions              | 15,432,857      | 13,833,659      | 10,466,398      | 9,504,065       | 8,580,609       | 8,055,895       | 9,007,569       | 9,939,460       | 6,461,886       | 4,680,999       |
| Total governmental activities program revenue   | 18,922,531      | 17,400,221      | 13,809,287      | 12,828,211      | 11,638,540      | 10,888,154      | 11,553,638      | 12,235,778      | 8,589,621       | 6,877,223       |
| Business type activities:                       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges for services:                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Support services                                | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               |
| Food service operations                         | 3,639,832       | 3,632,599       | 3,355,830       | 2,982,903       | 2,750,720       | 2,572,612       | 2,447,045       | 2,296,501       | 2,217,223       | 1,908,746       |
| Childcare operations                            | -               | -               | -               | 1,564,904       | 1,318,906       | 1,081,982       | 910,638         | 791,795         | 753,598         | 699,391         |
| Community education operations                  | 2,684,226       | 2,473,386       | 1,999,121       | 116,701         | 116,747         | 113,230         | 98,503          | 58,234          | -               | -               |
| Operating grants and contributions              | 1,528,936       | 1,378,531       | 1,261,576       | 1,190,464       | 1,028,289       | 864,022         | 794,023         | 681,161         | 585,268         | 504,340         |
| Capital grants and contributions                | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               |
| Total business type activities program revenues | 7,852,994       | 7,484,516       | 6,616,527       | 5,854,972       | 5,214,662       | 4,631,846       | 4,250,209       | 3,827,691       | 3,556,089       | 3,112,477       |
| Total program revenues                          | \$ 26,775,525   | \$ 24,884,737   | \$ 20,425,814   | \$ 18,683,183   | \$ 16,853,202   | \$ 15,520,000   | \$ 15,803,847   | \$ 16,063,469   | \$ 12,145,710   | \$ 9,989,700    |
| <b>Net (Expense)/Revenue</b>                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                         | \$ (96,282,810) | \$ (86,514,936) | \$ (79,751,888) | \$ (73,801,116) | \$ (67,430,250) | \$ (60,753,925) | \$ (53,907,442) | \$ (55,709,668) | \$ (44,818,701) | \$ (41,139,230) |
| Business type activities                        | (204,965)       | 14,003          | (255,650)       | (338,059)       | 82,603          | (118,597)       | (306,502)       | 64,682          | 261,282         | 101,141         |
| Total net expense                               | \$ (96,487,775) | \$ (86,500,933) | \$ (80,007,538) | \$ (74,139,175) | \$ (67,347,647) | \$ (60,872,522) | \$ (54,213,944) | \$ (55,644,986) | \$ (44,557,419) | \$ (41,038,089) |
| <b>General Revenues and Transfers</b>           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Property taxes                                  | \$ 59,674,862   | \$ 52,002,933   | \$ 47,307,958   | \$ 44,483,899   | \$ 43,231,968   | \$ 40,929,986   | \$ 38,999,099   | \$ 37,143,451   | \$ 33,707,077   | \$ 27,644,301   |
| Local option sales & services tax               | 9,020,585       | 8,351,818       | 7,867,527       | 7,269,180       | 6,197,267       | 5,170,073       | 5,585,731       | 3,803,136       | 4,785,137       | 4,780,752       |
| Unrestricted state grants                       | 42,605,274      | 38,074,578      | 35,169,788      | 30,834,917      | 26,737,619      | 24,756,176      | 20,447,529      | 15,766,453      | 18,195,747      | 17,597,500      |
| Investment earnings                             | 509,334         | 144,168         | 80,346          | 92,578          | 52,204          | 37,630          | 108,114         | 191,804         | 570,523         | 840,642         |
| Other   | 953,992         | 954,811         | 825,392         | 929,871         | 796,701         | 788,757         | 780,481         | 1,925,807       | 347,053         | 576,131         |
| Transfers                                       | (196,730)       | (560,140)       | (740,091)       | (477,016)       | (650,157)       | (197,609)       | (1,218,178)     | (140,379)       | -               | (621,256)       |
| Total governmental activities                   | 112,567,317     | 98,968,168      | 90,510,920      | 83,133,429      | 76,365,602      | 71,485,013      | 64,702,776      | 58,690,272      | 57,605,537      | 50,818,070      |
| Business type activities:                       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Investment earnings                             | 11,004          | 2,691           | 1,432           | 3,220           | 1,617           | 1,533           | 3,546           | 2,266           | 12,977          | 40,396          |
| Other   | -               | -               | -               | -               | -               | -               | -               | -               | 50              | 28              |
| Transfers                                       | 196,730         | 560,140         | 740,091         | 477,016         | 650,157         | 197,609         | 1,218,178       | 140,379         | -               | 621,256         |
| Total general revenues and transfers            | \$112,775,051   | \$99,530,999    | \$91,252,443    | \$83,613,665    | \$77,017,376    | \$71,684,155    | \$65,924,500    | \$58,832,917    | \$57,618,564    | \$51,479,750    |
| <b>Change in Net Position</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                         | \$ 16,284,507   | \$ 12,453,232   | \$ 10,759,032   | \$ 9,332,313    | \$ 8,935,352    | \$ 10,731,088   | \$ 10,795,334   | \$ 2,980,604    | \$ 12,786,836   | \$ 9,678,840    |
| Business type activities                        | 2,769           | 576,834         | 485,873         | 142,177         | 734,377         | 80,545          | 915,222         | 207,327         | 274,309         | 762,821         |
| Total change in net position                    | \$ 16,287,276   | \$ 13,030,066   | \$ 11,244,905   | \$ 9,474,490    | \$ 9,669,729    | \$ 10,811,633   | \$ 11,710,556   | \$ 3,187,931    | \$ 13,061,145   | \$ 10,441,661   |

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30,                     | 2017*                | 2016*                | 2015*                | 2014*                | 2013*                | 2012*                | 2011*                | 2010                 | 2009                 | 2008                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General fund:                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                            | \$ 27,453            | \$ 44,468            | \$ 56,551            | \$ 49,381            | \$ 48,481            | \$ 46,239            | \$ 55,158            | \$ 42,785            | \$ 30,279            | \$ 36,681            |
| Restricted                              | 1,737,788            | 1,118,032            | 852,797              | 535,668              | 953,225              | 1,053,041            | 449,859              | 73,885               | -                    | 97,222               |
| Unassigned                              | 9,742,758            | 6,664,946            | 6,893,521            | 6,323,937            | 8,794,094            | 10,471,856           | 8,626,046            | 8,490,957            | 9,085,543            | 6,897,344            |
| <b>Total general fund</b>               | <b>\$ 11,507,999</b> | <b>\$ 7,827,446</b>  | <b>\$ 7,802,869</b>  | <b>\$ 6,908,986</b>  | <b>\$ 9,795,800</b>  | <b>\$ 11,571,136</b> | <b>\$ 9,131,063</b>  | <b>\$ 8,607,627</b>  | <b>\$ 9,115,822</b>  | <b>\$ 7,031,247</b>  |
| All other governmental funds:           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Restricted:                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Debt service                            | \$ 39,939,750        | \$ 921,108           | \$ 912,522           | \$ 993,273           | \$ 11,789,967        | \$ 11,779,376        | \$ 4,450,438         | \$ 4,229,495         | \$ 8,157,269         | \$ 9,432,642         |
| Special revenue funds                   | 2,558,652            | 3,499,408            | 4,343,446            | 5,002,413            | 4,606,744            | 3,720,456            | 3,323,455            | 5,313,955            | 4,935,005            | 3,156,244            |
| Capital projects funds                  | 25,305,490           | 46,780,369           | 53,923,726           | 31,509,015           | 17,319,284           | 31,212,515           | 11,081,599           | 13,726,849           | 51,426,443           | 10,340,847           |
| <b>Total all other government funds</b> | <b>\$ 67,803,892</b> | <b>\$ 51,200,885</b> | <b>\$ 59,179,694</b> | <b>\$ 37,504,701</b> | <b>\$ 33,715,995</b> | <b>\$ 46,712,347</b> | <b>\$ 18,855,492</b> | <b>\$ 23,270,299</b> | <b>\$ 64,518,717</b> | <b>\$ 22,929,733</b> |

Source: District Records

Notes: In 2011, the State of Iowa determined that the Physical Plant and Equipment Levy Fund is a capital projects fund and not a special revenue fund.  
Prior to 2011, the Physical Plant and Equipment Levy Fund is included in the special revenue funds.

WAUKEE COMMUNITY SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS AND DEBT SERVICE RATIO

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30,  | 2017                  | 2016                  | 2015                  | 2014                  | 2013                   | 2012                 | 2011                  | 2010                   | 2009                 | 2008                 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|----------------------|----------------------|
| <b>Revenues:</b>   |                       |                       |                       |                       |                        |                      |                       |                        |                      |                      |
| Local tax  | \$ 59,674,862         | \$ 52,002,933         | \$ 47,307,958         | \$ 44,483,899         | \$ 49,429,235          | \$ 46,100,059        | \$ 44,584,830         | \$ 40,946,587          | \$ 38,492,214        | \$ 32,425,053        |
| Tuition  | 1,710,473             | 1,751,155             | 1,660,606             | 1,752,066             | 1,617,977              | 1,447,535            | 1,262,380             | 1,053,978              | 1,134,189            | 1,175,066            |
| Other  | 3,242,527             | 2,914,386             | 2,585,797             | 2,594,529             | 2,240,380              | 2,211,111            | 2,165,795             | 3,375,273              | 2,185,922            | 2,432,638            |
| State sources  | 65,246,440            | 58,731,590            | 52,001,373            | 46,168,070            | 33,947,675             | 31,651,321           | 26,672,882            | 21,558,200             | 23,361,214           | 21,804,292           |
| Federal sources  | 1,812,276             | 1,528,465             | 1,502,340             | 1,440,092             | 1,370,769              | 1,160,750            | 2,788,705             | 4,132,391              | 1,021,619            | 479,500              |
| <b>Total revenues</b>  | <b>131,686,578</b>    | <b>116,928,529</b>    | <b>105,058,074</b>    | <b>96,438,656</b>     | <b>88,606,036</b>      | <b>82,570,776</b>    | <b>77,474,592</b>     | <b>71,066,429</b>      | <b>66,195,158</b>    | <b>58,316,549</b>    |
| <b>Expenditures:</b>   |                       |                       |                       |                       |                        |                      |                       |                        |                      |                      |
| <b>Current:</b>  |                       |                       |                       |                       |                        |                      |                       |                        |                      |                      |
| <b>Instruction:</b>  |                       |                       |                       |                       |                        |                      |                       |                        |                      |                      |
| Regular  | 45,273,569            | 39,922,550            | 39,600,308            | 36,743,084            | 33,376,569             | 30,670,571           | 27,556,857            | 27,511,695             | 23,090,642           | 20,040,299           |
| Special  | 10,783,436            | 10,692,329            | 8,663,022             | 7,602,625             | 6,898,702              | 6,245,725            | 5,685,705             | 5,640,679              | 5,611,287            | 4,926,113            |
| Other  | 8,450,595             | 9,179,742             | 6,861,561             | 5,908,587             | 5,418,825              | 4,822,790            | 4,629,290             | 3,624,135              | 2,932,365            | 2,389,598            |
| <b>Support services:</b>   |                       |                       |                       |                       |                        |                      |                       |                        |                      |                      |
| Student  | 3,465,285             | 3,248,901             | 2,797,468             | 2,515,078             | 2,267,965              | 2,218,912            | 2,111,087             | 2,033,862              | 1,981,122            | 2,518,458            |
| Instructional  | 8,294,972             | 7,135,085             | 4,551,829             | 3,753,678             | 3,019,995              | 2,903,099            | 2,596,051             | 2,604,731              | 2,372,731            | 2,450,310            |
| Administrative   | 6,503,146             | 6,388,550             | 5,722,321             | 5,494,316             | 4,781,680              | 4,874,352            | 4,521,528             | 3,668,870              | 4,145,264            | 3,639,159            |
| Operation & plant maintenance  | 7,510,669             | 7,006,500             | 6,544,304             | 6,205,021             | 5,483,373              | 4,943,591            | 4,849,053             | 4,188,307              | 3,778,765            | 3,829,770            |
| Transportation   | 3,940,082             | 3,742,596             | 3,598,409             | 3,166,791             | 3,145,487              | 2,952,847            | 2,582,297             | 2,344,507              | 2,084,532            | 1,981,897            |
| Non-instructional services   | -                     | -                     | -                     | -                     | -                      | -                    | -                     | -                      | -                    | 29,955               |
| <b>Other expenditures:</b>   |                       |                       |                       |                       |                        |                      |                       |                        |                      |                      |
| <b>Capital outlay:</b>   |                       |                       |                       |                       |                        |                      |                       |                        |                      |                      |
| Facilities acquisition   | 22,266,887            | 27,010,498            | 24,485,162            | 25,174,457            | 20,795,719             | 16,338,521           | 10,831,068            | 44,776,662             | 12,287,811           | 13,080,340           |
| <b>Debt service:</b>   |                       |                       |                       |                       |                        |                      |                       |                        |                      |                      |
| Principal  | 13,880,000            | 15,220,000            | 11,215,000            | 20,490,000            | 17,915,000             | 14,585,000           | 8,715,000             | 26,685,000             | 8,845,000            | 13,215,000           |
| Interest   | 7,206,562             | 6,484,070             | 6,267,366             | 5,403,107             | 5,350,619              | 4,881,486            | 4,970,492             | 5,777,565              | 3,584,653            | 3,097,409            |
| Debt issuance costs  | 103,506               | 20,034                | 174,095               | 116,670               | -                      | -                    | -                     | -                      | -                    | -                    |
| Fiscal charges   | -                     | -                     | -                     | -                     | -                      | -                    | -                     | -                      | 8,484                | 8,700                |
| AEA flowthrough  | 4,136,701             | 3,761,743             | 3,509,601             | 3,141,750             | 2,804,317              | 2,573,444            | 2,496,394             | 2,306,290              | 1,922,343            | 1,696,590            |
| <b>Total expenditures</b>  | <b>141,815,410</b>    | <b>139,812,598</b>    | <b>123,990,446</b>    | <b>125,715,164</b>    | <b>111,258,251</b>     | <b>98,010,338</b>    | <b>81,544,822</b>     | <b>131,162,303</b>     | <b>72,644,999</b>    | <b>72,903,598</b>    |
| <b>Other financing sources (uses):</b>                                       |                       |                       |                       |                       |                        |                      |                       |                        |                      |                      |
| Sale of equipment  | -                     | -                     | -                     | -                     | 1,167                  | -                    | -                     | -                      | -                    | -                    |
| Sale of real property  | -                     | -                     | 20,000                | -                     | 684,000                | -                    | -                     | -                      | -                    | -                    |
| Transfers in   | 8,159,334             | 8,951,804             | 8,002,065             | 7,097,936             | 12,114,897             | 9,446,880            | 7,135,491             | 5,016,481              | 6,868,247            | 5,327,082            |
| Transfers out  | (8,356,064)           | (9,196,974)           | (8,240,067)           | (7,298,961)           | (12,337,399)           | (9,644,489)          | (7,300,384)           | (5,156,860)            | (6,868,247)          | (5,327,082)          |
| Refunding bonds and notes issued   | -                     | -                     | 9,075,000             | -                     | 7,045,000              | 8,390,000            | -                     | 18,310,000             | -                    | 7,165,000            |
| Bonds and notes issued   | 30,915,000            | 13,655,000            | 38,890,000            | 33,475,000            | -                      | 36,385,000           | -                     | -                      | 50,000,000           | 10,000,000           |
| Payments to escrow agents for defeasance of bonds                            | (2,776,054)           | -                     | (9,303,534)           | -                     | -                      | -                    | -                     | -                      | -                    | -                    |
| Premium/discounts on bonds and notes   | 2,470,176             | 1,520,007             | 3,057,784             | 823,639               | 372,862                | 1,159,099            | -                     | 278,557                | 123,400              | 70,171               |
|  | 30,412,392            | 14,929,837            | 41,501,248            | 34,097,614            | 7,880,527              | 45,736,490           | (164,893)             | 18,448,178             | 50,123,400           | 17,235,171           |
| <b>Net change in fund balance</b>  | <b>\$ 20,283,560</b>  | <b>\$ (7,954,232)</b> | <b>\$ 22,568,876</b>  | <b>\$ 4,821,106</b>   | <b>\$ (14,771,688)</b> | <b>\$ 30,296,928</b> | <b>\$ (4,235,123)</b> | <b>\$ (41,647,696)</b> | <b>\$ 43,673,559</b> | <b>\$ 2,648,122</b>  |
| <b>Total expenditures</b>  | <b>\$ 141,815,410</b> | <b>\$ 139,812,598</b> | <b>\$ 123,990,446</b> | <b>\$ 125,715,164</b> | <b>\$ 111,258,251</b>  | <b>\$ 98,010,338</b> | <b>\$ 81,544,822</b>  | <b>\$ 131,162,303</b>  | <b>\$ 72,644,999</b> | <b>\$ 72,903,598</b> |
| Less: capital expenditures   | (18,990,890)          | (23,878,991)          | (22,271,979)          | (21,735,752)          | (18,403,292)           | (16,114,705)         | (11,338,807)          | (39,552,978)           | (13,264,257)         | (13,209,951)         |
| <b>Non-capital expenditures</b>  | <b>122,824,520</b>    | <b>115,933,607</b>    | <b>101,718,467</b>    | <b>103,979,412</b>    | <b>92,854,959</b>      | <b>81,895,633</b>    | <b>70,206,015</b>     | <b>91,609,325</b>      | <b>59,380,742</b>    | <b>59,693,647</b>    |
| <b>Debt service expenditures</b>   | <b>21,086,562</b>     | <b>21,704,070</b>     | <b>17,482,366</b>     | <b>25,893,107</b>     | <b>23,265,619</b>      | <b>19,466,486</b>    | <b>13,685,492</b>     | <b>32,462,565</b>      | <b>12,429,653</b>    | <b>16,312,409</b>    |
| <b>Debt service expenditures as a percentage of non-capital expenditures</b> | <b>17.17%</b>         | <b>18.72%</b>         | <b>17.19%</b>         | <b>24.90%</b>         | <b>25.06%</b>          | <b>23.77%</b>        | <b>19.49%</b>         | <b>35.44%</b>          | <b>20.93%</b>        | <b>27.33%</b>        |

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL FUND REVENUES, BY SOURCE

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30, | Local         |               | State         | Federal      | Total         |
|---------------------|---------------|---------------|---------------|--------------|---------------|
|                     | Taxes         | Miscellaneous |               |              |               |
| 2016                | \$ 34,019,635 | \$ 3,218,773  | \$ 49,651,192 | \$ 1,528,465 | \$ 88,418,065 |
| 2015                | \$ 32,150,155 | \$ 2,976,457  | \$ 43,812,056 | \$ 1,502,340 | \$ 80,441,008 |
| 2014                | \$ 26,640,942 | \$ 2,998,329  | \$ 38,896,147 | \$ 1,440,092 | \$ 69,975,510 |
| 2013                | \$ 25,733,260 | \$ 2,743,540  | \$ 33,947,675 | \$ 1,370,769 | \$ 63,795,244 |
| 2012                | \$ 27,018,767 | \$ 2,657,125  | \$ 31,649,148 | \$ 1,160,750 | \$ 62,485,790 |
| 2011                | \$ 23,958,242 | \$ 2,145,624  | \$ 26,670,526 | \$ 2,788,705 | \$ 55,563,097 |
| 2010                | \$ 23,325,578 | \$ 1,711,651  | \$ 21,556,102 | \$ 4,132,391 | \$ 50,725,722 |
| 2009                | \$ 21,606,662 | \$ 1,976,901  | \$ 23,359,329 | \$ 1,021,619 | \$ 47,964,511 |
| 2008                | \$ 19,059,387 | \$ 2,045,360  | \$ 21,802,799 | \$ 479,500   | \$ 43,387,046 |
| 2007                | \$ 15,417,932 | \$ 2,022,140  | \$ 18,698,603 | \$ 485,203   | \$ 36,623,878 |

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
GENERAL FUND EXPENDITURES, BY FUNCTION

Last Ten Fiscal Years  
(Unaudited)

| Year Ended June 30, | Instruction   | Support<br>Services | Non-Instructional<br>Programs | Other<br>Expenditures | Total         |
|---------------------|---------------|---------------------|-------------------------------|-----------------------|---------------|
| 2017                | \$ 62,394,927 | \$ 28,446,642       | -                             | \$ 4,136,701          | \$ 94,978,270 |
| 2016                | \$ 57,948,421 | \$ 26,438,154       | -                             | \$ 3,761,743          | \$ 88,148,318 |
| 2015                | \$ 53,548,555 | \$ 22,250,967       | -                             | \$ 3,509,601          | \$ 79,309,123 |
| 2014                | \$ 48,756,673 | \$ 20,762,876       | -                             | \$ 3,141,750          | \$ 72,661,299 |
| 2013                | \$ 44,343,921 | \$ 18,201,007       | -                             | \$ 2,804,317          | \$ 65,349,245 |
| 2012                | \$ 40,431,738 | \$ 16,842,894       | -                             | \$ 2,573,444          | \$ 59,848,076 |
| 2011                | \$ 36,521,668 | \$ 15,859,677       | -                             | \$ 2,496,394          | \$ 54,877,739 |
| 2010                | \$ 34,446,910 | \$ 14,466,615       | -                             | \$ 2,306,290          | \$ 51,219,815 |
| 2009                | \$ 30,684,923 | \$ 13,272,579       | -                             | \$ 1,922,343          | \$ 45,879,845 |
| 2008                | \$ 26,185,188 | \$ 13,176,495       | 23,127                        | \$ 1,696,590          | \$ 41,081,400 |

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

GOVERNMENT-WIDE REVENUES

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30, | Program Revenues                   |  |                                      |               |                        |               |                        |                |
|---------------------|------------------------------------|--|--------------------------------------|---------------|------------------------|---------------|------------------------|----------------|
|                     | Charges for<br>Services &<br>Sales | Operating<br>Grants &<br>Contributions | Capital Grants<br>&<br>Contributions | Taxes         | Other Local<br>Sources | State Sources | Investment<br>Earnings | Total          |
| 2017                | \$ 9,813,732                       | \$ 16,961,793                          | \$ -                                 | \$ 62,674,862 | \$ 953,992             | \$ 51,625,859 | \$ 520,338             | \$ 142,550,576 |
| 2016                | \$ 9,672,547                       | \$ 15,212,190                          | \$ -                                 | \$ 52,002,933 | \$ 954,811             | \$ 46,426,396 | \$ 146,859             | \$ 124,415,736 |
| 2015                | \$ 8,697,840                       | \$ 11,727,974                          | \$ -                                 | \$ 47,307,958 | \$ 825,392             | \$ 43,037,315 | \$ 81,778              | \$ 111,678,257 |
| 2014                | \$ 7,988,654                       | \$ 10,694,529                          | \$ -                                 | \$ 44,483,899 | \$ 929,871             | \$ 38,104,097 | \$ 95,798              | \$ 102,296,848 |
| 2013                | \$ 7,244,304                       | \$ 9,608,898                           | \$ -                                 | \$ 49,429,235 | \$ 796,701             | \$ 26,737,619 | \$ 53,821              | \$ 93,870,578  |
| 2012                | \$ 6,600,083                       | \$ 8,919,917                           | \$ -                                 | \$ 46,100,059 | \$ 788,757             | \$ 24,756,176 | \$ 39,163              | \$ 87,204,155  |
| 2011                | \$ 6,002,255                       | \$ 9,801,592                           | \$ -                                 | \$ 44,584,830 | \$ 468,436             | \$ 20,447,529 | \$ 108,114             | \$ 81,412,756  |
| 2010                | \$ 5,442,848                       | \$ 10,620,621                          | \$ -                                 | \$ 40,946,587 | \$ 1,623,126           | \$ 16,069,134 | \$ 194,070             | \$ 74,896,386  |
| 2009                | \$ 5,098,556                       | \$ 7,047,154                           | \$ -                                 | \$ 38,492,214 | \$ 347,053             | \$ 18,195,797 | \$ 583,500             | \$ 69,764,274  |
| 2008                | \$ 4,804,361                       | \$ 5,185,339                           | \$ -                                 | \$ 32,425,053 | \$ 306,433             | \$ 17,867,226 | \$ 881,038             | \$ 61,469,450  |

Source: District records



WAUKEE COMMUNITY SCHOOL DISTRICT  
GOVERNMENT-WIDE EXPENSES, BY FUNCTION

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30, | Instruction   | Support Services | Non-instructional<br>Programs | Other<br>Expenditures | Total          |
|---------------------|---------------|------------------|-------------------------------|-----------------------|----------------|
| 2017                | \$ 65,743,252 | \$ 33,709,155    | \$ 7,704,728                  | \$ 16,106,165         | \$ 123,263,300 |
| 2016                | \$ 59,495,975 | \$ 30,441,509    | \$ 7,148,158                  | \$ 14,300,028         | \$ 111,385,670 |
| 2015                | \$ 54,794,040 | \$ 24,921,673    | \$ 6,601,806                  | \$ 14,115,833         | \$ 100,433,352 |
| 2014                | \$ 50,142,591 | \$ 24,409,439    | \$ 5,999,968                  | \$ 12,270,360         | \$ 92,822,358  |
| 2013                | \$ 46,336,463 | \$ 21,193,962    | \$ 4,986,399                  | \$ 11,684,025         | \$ 84,200,849  |
| 2012                | \$ 42,519,470 | \$ 18,489,144    | \$ 4,623,843                  | \$ 10,760,065         | \$ 76,392,522  |
| 2011                | \$ 40,827,340 | \$ 16,998,032    | \$ 102,369                    | \$ 7,547,279          | \$ 65,475,020  |
| 2010                | \$ 39,751,992 | \$ 15,156,624    | \$ 28,486                     | \$ 13,008,444         | \$ 67,945,546  |
| 2009                | \$ 33,853,764 | \$ 13,692,553    | \$ -                          | \$ 5,862,005          | \$ 53,408,322  |
| 2008                | \$ 29,165,013 | \$ 13,714,587    | \$ 21,238                     | \$ 5,115,615          | \$ 48,016,453  |

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMPARISON OF GROWTH IN GENERAL FUND REVENUE, EXPENDITURES,  
 ENROLLMENT, ASSESSED VALUATION AND TAX RATE

Last Ten Fiscal Years  
 (Unaudited)

| Year ended June 30, | Revenue       | Growth | Expenditures  | Growth | Budget<br>Enrollment | Growth | Assessed Value   | Growth | Tax Rate    | Growth |
|---------------------|---------------|--------|---------------|--------|----------------------|--------|------------------|--------|-------------|--------|
| 2017                | \$ 98,885,785 | 22.93% | \$ 94,978,270 | 19.76% | 9,448.4              | 13.99% | \$ 3,172,322,627 | 8.37%  | \$ 11.92874 | 4.24%  |
| 2016                | \$ 88,418,065 | 26.36% | \$ 88,148,318 | 21.31% | 8,773.3              | 13.62% | \$ 2,927,346,657 | 9.65%  | \$ 11.44323 | -2.76% |
| 2015                | \$ 80,441,008 | 26.09% | \$ 79,309,123 | 21.36% | 8,288.6              | 16.56% | \$ 2,669,837,607 | 6.02%  | \$ 11.76796 | 12.51% |
| 2014                | \$ 69,975,510 | 9.69%  | \$ 72,661,299 | 11.19% | 7,721.3              | 8.58%  | \$ 2,518,311,680 | 9.65%  | \$ 10.45960 | -6.92% |
| 2013                | \$ 63,795,244 | 2.10%  | \$ 65,349,245 | 9.19%  | 7,111.1              | 6.45%  | \$ 2,296,636,475 | 5.47%  | \$ 11.23770 | -9.61% |
| 2012                | \$ 62,485,790 | 12.45% | \$ 59,848,076 | 9.06%  | 6,680.2              | 6.90%  | \$ 2,177,617,587 | 4.75%  | \$ 12.43205 | 7.52%  |
| 2011                | \$ 55,566,068 | 9.27%  | \$ 54,877,739 | 7.14%  | 6,249.2              | 4.72%  | \$ 2,078,929,733 | 5.60%  | \$ 11.56253 | -2.59% |
| 2010                | \$ 50,851,999 | 6.02%  | \$ 51,219,815 | 11.64% | 5,967.4              | 8.73%  | \$ 1,968,768,518 | 9.81%  | \$ 11.86962 | -1.58% |
| 2009                | \$ 47,964,420 | 10.55% | \$ 45,879,845 | 11.68% | 5,488.3              | 8.13%  | \$ 1,792,848,425 | 22.21% | \$ 12.06033 | -7.57% |
| 2008                | \$ 43,387,046 | 18.47% | \$ 41,081,400 | 19.73% | 5,075.6              | 12.09% | \$ 1,467,046,188 | 22.76% | \$ 13.04865 | 0.89%  |

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
RATIO OF FINANCIAL CONDITION (General Fund)

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30,   | 2017  | 2016  | 2015  | 2014  | 2013   | 2012   | 2011   | 2010   | 2009   | 2008   |
|---|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
| <b>Days net Cash Ratio</b><br><u>cash</u><br>average daily disbursements  | 82.79 | 72.17 | 71.71 | 71.36 | 91.80  | 107.22 | 111.11 | 97.58  | 108.79 | 97.86  |
| <b>Increased Revenue versus Increased Expenditures</b><br><u>current year revenue minus prior year revenue</u><br>current year expenditures-prior year expenditures | 1.53  | 0.90  | 1.57  | 0.85  | 0.24   | 1.40   | 1.29   | 0.54   | 0.95   | 1.00   |
| <b>Financial Solvency Ratios</b><br><u>current year Unassigned Fund Balance</u><br>current year actual revenue  | 9.85% | 7.54% | 8.57% | 9.04% | 13.78% | 16.76% | 17.46% | 16.70% | 18.94% | 15.68% |

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS SUMMARY

Last Ten Fiscal Years  
(Unaudited)

| Fiscal Year | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy |                    | Collections In Subsequent Years* | Total Collections to Date |                    |
|-------------|----------------------------------|--|--------------------|----------------------------------|---------------------------|--------------------|
|             |                                  | Amount                                       | Percentage of Levy |                                  | Amount                    | Percentage of Levy |
| 2017        | \$ 59,665,892                    | \$ 59,642,834                                | 99.96%             | NA                               | \$ 59,642,834             | 99.96%             |
| 2016        | \$ 52,102,555                    | \$ 51,971,669                                | 99.75%             | NA                               | \$ 51,971,669             | 99.75%             |
| 2015        | \$ 47,279,465                    | \$ 47,271,944                                | 99.98%             | NA                               | \$ 47,271,944             | 99.98%             |
| 2014        | \$ 44,785,869                    | \$ 44,483,899                                | 99.33%             | NA                               | \$ 44,483,899             | 99.33%             |
| 2013        | \$ 43,309,318                    | \$ 43,231,968                                | 99.82%             | NA                               | \$ 43,231,968             | 99.82%             |
| 2012        | \$ 41,006,827                    | \$ 40,929,986                                | 99.81%             | NA                               | \$ 40,929,986             | 99.81%             |
| 2011        | \$ 39,108,503                    | \$ 38,752,389                                | 99.09%             | NA                               | \$ 38,752,389             | 99.09%             |
| 2010        | \$ 37,195,005                    | \$ 36,890,708                                | 99.18%             | NA                               | \$ 36,890,708             | 99.18%             |
| 2009        | \$ 33,731,694                    | \$ 33,466,568                                | 99.21%             | NA                               | \$ 33,466,568             | 99.21%             |
| 2008        | \$ 27,781,276                    | \$ 27,380,225                                | 98.56%             | NA                               | \$ 27,380,225             | 98.56%             |

Source: District records

\* Dallas County, Iowa does not track delinquent taxes to a specific year if payment is made after the fiscal year closes.

WAUKEE COMMUNITY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS DETAIL

Last Ten Fiscal Years  
(Unaudited)

| Collection Year                 | General Fund  | Management   | Debt Service  | PPEL         | Total         |
|---------------------------------|---------------|--------------|---------------|--------------|---------------|
| <b>Property Tax Levies</b>      |               |              |               |              |               |
| 2017                            | \$ 38,516,991 | \$ -         | \$ 14,974,305 | \$ 6,174,596 | \$ 59,665,892 |
| 2016                            | \$ 34,128,725 | \$ -         | \$ 12,258,606 | \$ 5,715,224 | \$ 52,102,555 |
| 2015                            | \$ 32,064,251 | \$ -         | \$ 9,924,663  | \$ 5,290,551 | \$ 47,279,465 |
| 2014                            | \$ 26,881,045 | \$ 999,996   | \$ 11,969,327 | \$ 4,935,501 | \$ 44,785,869 |
| 2013                            | \$ 25,808,912 | \$ 1,500,002 | \$ 11,328,958 | \$ 4,671,446 | \$ 43,309,318 |
| 2012                            | \$ 27,072,244 | \$ 1,000,000 | \$ 8,536,724  | \$ 4,397,859 | \$ 41,006,827 |
| 2011                            | \$ 24,037,687 | \$ 1,999,993 | \$ 8,927,727  | \$ 4,143,096 | \$ 39,108,503 |
| 2010                            | \$ 23,368,534 | \$ 999,997   | \$ 8,878,545  | \$ 3,947,929 | \$ 37,195,005 |
| 2009                            | \$ 21,622,344 | \$ 999,997   | \$ 7,499,922  | \$ 3,609,431 | \$ 33,731,694 |
| 2008                            | \$ 19,142,972 | \$ 1,100,006 | \$ 4,393,433  | \$ 3,144,865 | \$ 27,781,276 |
| <b>Property Tax Collections</b> |               |              |               |              |               |
| 2017                            | \$ 38,501,578 | \$ -         | \$ 14,968,898 | \$ 6,172,358 | \$ 59,642,834 |
| 2016                            | \$ 33,998,262 | \$ -         | \$ 12,258,365 | \$ 5,715,042 | \$ 51,971,669 |
| 2015                            | \$ 32,123,041 | \$ -         | \$ 9,881,407  | \$ 5,267,496 | \$ 47,271,944 |
| 2014                            | \$ 26,640,942 | \$ 990,140   | \$ 11,932,500 | \$ 4,920,317 | \$ 44,483,899 |
| 2013                            | \$ 25,733,260 | \$ 1,495,610 | \$ 11,330,866 | \$ 4,672,232 | \$ 43,231,968 |
| 2012                            | \$ 27,018,767 | \$ 997,243   | \$ 8,523,118  | \$ 4,390,858 | \$ 40,929,986 |
| 2011                            | \$ 23,797,934 | \$ 1,980,046 | \$ 8,861,871  | \$ 4,112,538 | \$ 38,752,389 |
| 2010                            | \$ 23,157,073 | \$ 990,940   | \$ 8,820,636  | \$ 3,922,059 | \$ 36,890,708 |
| 2009                            | \$ 21,443,124 | \$ 991,736   | \$ 7,447,496  | \$ 3,584,212 | \$ 33,466,568 |
| 2008                            | \$ 18,885,364 | \$ 1,085,244 | \$ 4,307,301  | \$ 3,102,316 | \$ 27,380,225 |
| <b>Percentage Collected</b>     |               |              |               |              |               |
| 2017                            | 99.96%        | 100.00%      | 99.96%        | 99.96%       | 99.96%        |
| 2016                            | 99.62%        | 100.00%      | 100.00%       | 100.00%      | 99.75%        |
| 2015                            | 100.18%       | 100.00%      | 99.56%        | 99.56%       | 99.98%        |
| 2014                            | 99.11%        | 99.01%       | 99.69%        | 99.69%       | 99.33%        |
| 2013                            | 99.71%        | 99.71%       | 100.02%       | 100.02%      | 99.82%        |
| 2012                            | 99.80%        | 99.72%       | 99.84%        | 99.84%       | 99.81%        |
| 2011                            | 99.00%        | 99.00%       | 99.26%        | 99.26%       | 99.09%        |
| 2010                            | 99.10%        | 99.09%       | 99.35%        | 99.34%       | 99.18%        |
| 2009                            | 99.17%        | 99.17%       | 99.30%        | 99.30%       | 99.21%        |
| 2008                            | 98.65%        | 98.66%       | 98.04%        | 98.65%       | 98.56%        |

Source: District records

Dallas County, Iowa does not track delinquent taxes to a specific year if payment is made after the fiscal year closes.

WAUKEE COMMUNITY SCHOOL DISTRICT

TAXABLE AND 100% VALUES OF PROPERTY

Last Ten Fiscal Years  
(Unaudited)

| Levy<br>Year | Collection<br>Year | Real Property   |                 | Personal Property |            | Railroads & Utilities w/o Gas &<br>Electric |               |
|--------------|--------------------|-----------------|-----------------|-------------------|------------|---|---------------|
|              |                    | Taxable         | 100% Value      | Taxable           | 100% Value | Taxable                                     | 100% Value    |
| 2015         | 2016-17            | \$3,673,427,350 | \$5,696,467,253 | \$ -              | \$ -       | \$ 11,254,925                               | \$ 11,648,664 |
| 2014         | 2015-16            | \$3,397,928,271 | \$5,254,666,916 | \$ -              | \$ -       | \$ 11,607,299                               | \$ 11,958,138 |
| 2013         | 2014-15            | \$3,141,504,579 | \$4,777,395,156 | \$ -              | \$ -       | \$ 13,751,197                               | \$ 13,912,313 |
| 2012         | 2013-14            | \$2,926,408,458 | \$4,434,892,988 | \$ -              | \$ -       | \$ 16,058,120                               | \$ 16,058,120 |
| 2011         | 2012-13            | \$2,770,449,833 | \$4,262,419,966 | \$ -              | \$ -       | \$ 13,768,052                               | \$ 13,768,052 |
| 2010         | 2011-12            | \$2,605,956,254 | \$4,090,294,621 | \$ -              | \$ -       | \$ 14,274,534                               | \$ 14,274,534 |
| 2009         | 2010-11            | \$2,066,543,684 | \$3,371,574,382 | \$ -              | \$ -       | \$ 14,139,966                               | \$ 14,139,966 |
| 2008         | 2009-10            | \$1,955,777,049 | \$3,400,929,740 | \$ -              | \$ -       | \$ 13,641,512                               | \$ 13,641,512 |
| 2007         | 2008-09            | \$1,780,656,409 | \$3,116,199,794 | \$ -              | \$ -       | \$ 12,272,629                               | \$ 12,272,629 |
| 2006         | 2007-08            | \$1,858,042,043 | \$2,950,899,982 | \$ -              | \$ -       | \$ 13,116,350                               | \$ 13,116,350 |

Source: County Auditor's Office

Notes:

Gas and Electric is no longer subject to property tax, but instead pay utility replacement tax.

Includes Tax Increment Financing Valuations.

(a) Per \$1,000 of assessed value.

| Gas & Electric |               | Total            |                  | Ratio of Total                 |                          |
|----------------|---------------|------------------|------------------|--------------------------------|--------------------------|
| Taxable        | 100% Value    | Taxable          | 100% Value       | Taxable Value to<br>100% Value | Total<br>Direct Rate (a) |
| \$ 12,680,359  | \$ 26,034,096 | \$ 3,697,362,634 | \$ 5,734,150,013 | 64.48%                         | \$ 17.64874              |
| \$ 12,753,854  | \$ 24,523,406 | \$ 3,422,289,424 | \$ 5,291,148,460 | 64.68%                         | \$ 16.69522              |
| \$ 12,739,114  | \$ 22,569,666 | \$ 3,167,994,890 | \$ 4,813,877,135 | 65.81%                         | \$ 16.57427              |
| \$ 12,922,909  | \$ 26,874,546 | \$ 2,955,389,487 | \$ 4,477,825,654 | 66.00%                         | \$ 16.57669              |
| \$ 13,055,544  | \$ 27,733,322 | \$ 2,797,273,429 | \$ 4,303,921,340 | 64.99%                         | \$ 17.61083              |
| \$ 13,218,079  | \$ 27,433,258 | \$ 2,633,448,867 | \$ 4,132,002,413 | 63.73%                         | \$ 17.80292              |
| \$ 12,386,049  | \$ 26,579,651 | \$ 2,093,069,699 | \$ 3,412,293,999 | 61.34%                         | \$ 17.79315              |
| \$ 12,991,469  | \$ 26,566,149 | \$ 1,982,410,030 | \$ 3,441,137,401 | 57.61%                         | \$ 17.80336              |
| \$ 12,192,016  | \$ 17,468,314 | \$ 1,805,121,054 | \$ 3,145,940,737 | 57.38%                         | \$ 17.75814              |
| \$ 11,994,305  | \$ 17,065,329 | \$ 1,883,152,698 | \$ 2,981,081,661 | 63.17%                         | \$ 17.80148              |

WAUKEE COMMUNITY SCHOOL DISTRICT

TAX RATES BY FUND

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30, | General     | Management | PPEL       | Debt Service | Total       |
|---------------------|-------------|------------|------------|--------------|-------------|
| 2017                | \$ 11.92874 | \$ -       | \$ 1.67000 | \$ 4.05000   | \$ 17.64874 |
| 2016                | \$ 11.44323 | \$ -       | \$ 1.67000 | \$ 3.58199   | \$ 16.69522 |
| 2015                | \$ 11.77148 | \$ -       | \$ 1.67000 | \$ 3.13279   | \$ 16.57427 |
| 2014                | \$ 10.45960 | \$ 0.39709 | \$ 1.67000 | \$ 4.05000   | \$ 16.57669 |
| 2013                | \$ 11.23770 | \$ 0.65313 | \$ 1.67000 | \$ 4.05000   | \$ 17.61083 |
| 2012                | \$ 12.43205 | \$ 0.45922 | \$ 1.67000 | \$ 3.24165   | \$ 17.80292 |
| 2011                | \$ 11.56253 | \$ 0.96203 | \$ 1.67000 | \$ 3.59859   | \$ 17.79315 |
| 2010                | \$ 11.86962 | \$ 0.50793 | \$ 1.67000 | \$ 3.75581   | \$ 17.80336 |
| 2009                | \$ 12.06033 | \$ 0.55777 | \$ 1.67000 | \$ 3.47004   | \$ 17.75814 |
| 2008                | \$ 13.04865 | \$ 0.74981 | \$ 1.67000 | \$ 2.33302   | \$ 17.80148 |

Source: District records



WAUKEE COMMUNITY SCHOOL DISTRICT

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION, DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years

| Levy Year                      | Collection Year | Dallas County | Dallas Co Hospital | State      | Area XI Community College | City        | Special    | Waukeee CSD | Total      | Ratio WCSD to Total |
|--------------------------------|-----------------|---------------|--------------------|------------|---------------------------|-------------|------------|-------------|------------|---------------------|
| <b>City of Waukeee</b>         |                 |               |                    |            |                           |             |            |             |            |                     |
| 2015                           | 2016-17         | \$ 4.38528    | \$ 0.54055         | \$ 0.00330 | \$ 0.72334                | \$ 13.50000 | \$ 0.01000 | \$ 17.64874 | \$36.81121 | 47.944%             |
| 2014                           | 2015-16         | \$ 4.25799    | \$ 0.54042         | \$ 0.00330 | \$ 0.67574                | \$ 13.50000 | \$ 0.03000 | \$ 16.69522 | \$35.70267 | 46.762%             |
| 2013                           | 2014-15         | \$ 4.22032    | \$ 0.57912         | \$ 0.00330 | \$ 0.65724                | \$ 13.50000 | \$ 0.04446 | \$ 16.57427 | \$35.57871 | 46.585%             |
| 2012                           | 2013-14         | \$ 4.26673    | \$ 0.54517         | \$ 0.00330 | \$ 0.69120                | \$ 13.50000 | \$ -       | \$ 16.57669 | \$35.58309 | 46.586%             |
| 2011                           | 2012-13         | \$ 4.64759    | \$ 0.60683         | \$ 0.00330 | \$ 0.58466                | \$ 13.50000 | \$ -       | \$ 17.61083 | \$36.95321 | 47.657%             |
| 2010                           | 2011-12         | \$ 4.62966    | \$ 0.60911         | \$ 0.00320 | \$ 0.59018                | \$ 13.50001 | \$ -       | \$ 17.80292 | \$37.13508 | 47.941%             |
| 2009                           | 2010-11         | \$ 5.12039    | \$ 0.60945         | \$ 0.00340 | \$ 0.56008                | \$ 13.50001 | \$ -       | \$ 17.79315 | \$37.58648 | 47.339%             |
| 2008                           | 2009-10         | \$ 5.65423    | \$ 0.60971         | \$ 0.00300 | \$ 0.56778                | \$ 13.50000 | \$ -       | \$ 17.80336 | \$38.13808 | 46.681%             |
| 2007                           | 2008-09         | \$ 5.73905    | \$ 0.59132         | \$ 0.00350 | \$ 0.56386                | \$ 13.50004 | \$ -       | \$ 17.75814 | \$38.15591 | 46.541%             |
| 2006                           | 2007-08         | \$ 6.24668    | \$ 0.69001         | \$ 0.00350 | \$ 0.60276                | \$ 13.50004 | \$ -       | \$ 17.80148 | \$38.84447 | 45.828%             |
| <b>City of Clive</b>           |                 |               |                    |            |                           |             |            |             |            |                     |
| 2015                           | 2016-17         | \$ 4.38528    | \$ 0.54055         | \$ 0.00330 | \$ 0.72334                | \$ 10.14499 | \$ 0.64300 | \$ 17.64874 | \$34.08920 | 51.772%             |
| 2014                           | 2015-16         | \$ 4.25799    | \$ 0.54042         | \$ 0.00330 | \$ 0.67574                | \$ 9.98951  | \$ 0.64300 | \$ 16.69522 | \$32.80518 | 50.892%             |
| 2013                           | 2014-15         | \$ 4.22032    | \$ 0.57912         | \$ 0.00330 | \$ 0.65724                | \$ 9.98952  | \$ 0.59246 | \$ 16.57427 | \$32.61623 | 50.816%             |
| 2012                           | 2013-14         | \$ 4.26673    | \$ 0.54517         | \$ 0.00330 | \$ 0.69120                | \$ 9.98809  | \$ 0.48300 | \$ 16.57669 | \$32.55418 | 50.920%             |
| 2011                           | 2012-13         | \$ 4.64759    | \$ 0.60683         | \$ 0.00330 | \$ 0.58466                | \$ 9.62000  | \$ 0.40300 | \$ 17.61083 | \$33.47621 | 52.607%             |
| 2010                           | 2011-12         | \$ 4.62966    | \$ 0.60911         | \$ 0.00320 | \$ 0.59018                | \$ 9.52000  | \$ 0.25300 | \$ 17.80292 | \$33.40807 | 53.289%             |
| 2009                           | 2010-11         | \$ 5.12039    | \$ 0.60945         | \$ 0.00340 | \$ 0.56008                | \$ 9.53866  | \$ 0.23570 | \$ 17.79315 | \$33.86083 | 52.548%             |
| 2008                           | 2009-10         | \$ 5.65423    | \$ 0.60971         | \$ 0.00300 | \$ 0.56778                | \$ 9.53764  | \$ 0.21905 | \$ 17.80336 | \$34.39477 | 51.762%             |
| 2007                           | 2008-09         | \$ 5.73905    | \$ 0.59132         | \$ 0.00350 | \$ 0.56386                | \$ 9.53762  | \$ 0.07899 | \$ 17.75814 | \$34.27248 | 51.815%             |
| 2006                           | 2007-08         | \$ 6.24668    | \$ 0.69001         | \$ 0.00350 | \$ 0.60276                | \$ 9.53783  | \$ 0.07294 | \$ 17.80148 | \$34.95520 | 50.927%             |
| <b>City of Grimes</b>          |                 |               |                    |            |                           |             |            |             |            |                     |
| 2015                           | 2016-17         | \$ 4.38528    | \$ 0.54055         | \$ 0.00330 | \$ 0.72334                | \$ 12.91473 | \$ 0.60200 | \$ 17.64874 | \$36.81794 | 47.935%             |
| 2014                           | 2015-16         | \$ 4.25799    | \$ 0.54042         | \$ 0.00330 | \$ 0.67574                | \$ 12.91377 | \$ 0.58200 | \$ 16.69522 | \$35.66844 | 46.807%             |
| 2013                           | 2014-15         | \$ 4.22032    | \$ 0.57912         | \$ 0.00330 | \$ 0.65724                | \$ 12.91374 | \$ 0.51700 | \$ 16.57427 | \$35.46499 | 46.734%             |
| 2012                           | 2013-14         | \$ 4.26673    | \$ 0.54517         | \$ 0.00330 | \$ 0.69120                | \$ 12.91302 | \$ 0.45200 | \$ 16.57669 | \$35.44811 | 46.763%             |
| 2011                           | 2012-13         | \$ 4.64759    | \$ 0.60683         | \$ 0.00330 | \$ 0.58466                | \$ 12.90968 | \$ 0.37200 | \$ 17.61083 | \$36.73489 | 47.940%             |
| 2010                           | 2011-12         | \$ 4.62966    | \$ 0.60911         | \$ 0.00320 | \$ 0.59018                | \$ 12.90318 | \$ 0.22200 | \$ 17.80292 | \$36.76025 | 48.430%             |
| 2009                           | 2010-11         | \$ 5.12039    | \$ 0.60945         | \$ 0.00340 | \$ 0.56008                | \$ 12.91004 | \$ 0.20410 | \$ 17.79315 | \$37.20061 | 47.830%             |
| 2008                           | 2009-10         | \$ 5.65423    | \$ 0.60971         | \$ 0.00300 | \$ 0.56778                | \$ 12.92062 | \$ 0.18956 | \$ 17.80336 | \$37.74826 | 47.163%             |
| 2007                           | 2008-09         | \$ 5.73905    | \$ 0.59132         | \$ 0.00350 | \$ 0.56386                | \$ 12.96278 | \$ 0.05398 | \$ 17.75814 | \$37.67263 | 47.138%             |
| 2006                           | 2007-08         | \$ 6.24668    | \$ 0.69001         | \$ 0.00350 | \$ 0.60276                | \$ 12.92590 | \$ 0.05142 | \$ 17.80148 | \$38.32175 | 46.453%             |
| <b>City of Urbandale</b>       |                 |               |                    |            |                           |             |            |             |            |                     |
| 2015                           | 2016-17         | \$ 4.38528    | \$ 0.54055         | \$ 0.00330 | \$ 0.72334                | \$ 9.92000  | \$ 0.74351 | \$ 17.64874 | \$33.96472 | 51.962%             |
| 2014                           | 2015-16         | \$ 4.25799    | \$ 0.54042         | \$ 0.00330 | \$ 0.67574                | \$ 9.82000  | \$ 0.71684 | \$ 16.69522 | \$32.70951 | 51.041%             |
| 2013                           | 2014-15         | \$ 4.22032    | \$ 0.57912         | \$ 0.00330 | \$ 0.65724                | \$ 9.72000  | \$ 0.65399 | \$ 16.57427 | \$32.40824 | 51.142%             |
| 2012                           | 2013-14         | \$ 4.26673    | \$ 0.54517         | \$ 0.00330 | \$ 0.69120                | \$ 9.57000  | \$ 0.60111 | \$ 16.57669 | \$32.25420 | 51.394%             |
| 2011                           | 2012-13         | \$ 4.64759    | \$ 0.60683         | \$ 0.00330 | \$ 0.58466                | \$ 9.62000  | \$ 0.45200 | \$ 17.61083 | \$33.52521 | 52.530%             |
| 2010                           | 2011-12         | \$ 4.62966    | \$ 0.60911         | \$ 0.00320 | \$ 0.59018                | \$ 9.52000  | \$ 0.30200 | \$ 17.80292 | \$33.45707 | 53.211%             |
| 2009                           | 2010-11         | \$ 5.12039    | \$ 0.60945         | \$ 0.00340 | \$ 0.56008                | \$ 9.32000  | \$ 0.28480 | \$ 17.79315 | \$33.69127 | 52.812%             |
| 2008                           | 2009-10         | \$ 5.65423    | \$ 0.60971         | \$ 0.00300 | \$ 0.56778                | \$ 9.22000  | \$ 0.27104 | \$ 17.80336 | \$34.12912 | 52.165%             |
| 2007                           | 2008-09         | \$ 5.73905    | \$ 0.59132         | \$ 0.00350 | \$ 0.56386                | \$ 9.22000  | \$ 0.22946 | \$ 17.75814 | \$34.10533 | 52.069%             |
| 2006                           | 2007-08         | \$ 6.24668    | \$ 0.69001         | \$ 0.00350 | \$ 0.60276                | \$ 9.22000  | \$ 0.17216 | \$ 17.80148 | \$34.73659 | 51.247%             |
| <b>City of West Des Moines</b> |                 |               |                    |            |                           |             |            |             |            |                     |
| 2015                           | 2016-17         | \$ 4.38528    | \$ 0.54055         | \$ 0.00330 | \$ 0.72334                | \$ 12.00000 | \$ 0.78300 | \$ 17.64874 | \$36.08421 | 48.910%             |
| 2014                           | 2015-16         | \$ 4.25799    | \$ 0.54042         | \$ 0.00330 | \$ 0.67574                | \$ 12.00000 | \$ 0.76300 | \$ 16.69522 | \$34.93567 | 47.788%             |
| 2013                           | 2014-15         | \$ 4.22032    | \$ 0.57912         | \$ 0.00330 | \$ 0.65724                | \$ 12.05000 | \$ 0.69800 | \$ 16.57427 | \$34.78225 | 47.652%             |
| 2012                           | 2013-14         | \$ 4.26673    | \$ 0.54517         | \$ 0.00330 | \$ 0.69120                | \$ 12.05000 | \$ 0.63300 | \$ 16.57669 | \$34.76609 | 47.681%             |
| 2011                           | 2012-13         | \$ 4.64759    | \$ 0.60683         | \$ 0.00330 | \$ 0.58466                | \$ 12.05000 | \$ 0.55300 | \$ 17.61083 | \$36.05621 | 48.843%             |
| 2010                           | 2011-12         | \$ 4.62966    | \$ 0.60911         | \$ 0.00320 | \$ 0.59018                | \$ 12.05000 | \$ 0.40300 | \$ 17.80292 | \$36.08807 | 49.332%             |
| 2009                           | 2010-11         | \$ 5.12039    | \$ 0.60945         | \$ 0.00340 | \$ 0.56008                | \$ 12.05000 | \$ 0.38830 | \$ 17.79315 | \$36.52477 | 48.715%             |
| 2008                           | 2009-10         | \$ 5.65423    | \$ 0.60971         | \$ 0.00300 | \$ 0.56778                | \$ 12.05000 | \$ 0.38095 | \$ 17.80336 | \$37.06903 | 48.028%             |
| 2007                           | 2008-09         | \$ 5.73905    | \$ 0.59132         | \$ 0.00350 | \$ 0.56386                | \$ 12.05000 | \$ 0.33566 | \$ 17.75814 | \$37.04153 | 47.941%             |
| 2006                           | 2007-08         | \$ 6.24668    | \$ 0.69001         | \$ 0.00350 | \$ 0.60276                | \$ 12.04999 | \$ 0.33240 | \$ 17.80148 | \$37.72682 | 47.185%             |

Source: County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT

TAXABLE ASSESSED VALUATION BY PROPERTY TYPE\*

Last Ten Fiscal Years  
(Unaudited)

| Collection Year              | 2017                    | % of<br>Total | 2016                    | % of<br>Total | 2015                    | % of<br>Total | 2014                    | % of<br>Total |
|------------------------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|
| Residential                  | \$ 2,202,948,327        | 69.4%         | \$ 1,961,329,461        | 67.0%         | \$ 1,819,337,044        | 68.1%         | \$ 1,672,352,276        | 66.4%         |
| Agricultural                 | 18,667,173              | 0.6%          | 20,395,526              | 0.7%          | 19,694,238              | 0.7%          | 21,611,322              | 0.9%          |
| Commercial                   | 878,866,871             | 27.7%         | 919,304,330             | 31.4%         | 803,052,789             | 30.1%         | 792,886,495             | 31.5%         |
| Industrial                   | 1,001,915               | 0.0%          | 4,256,371               | 0.1%          | 3,543,037               | 0.1%          | 4,695,550               | 0.2%          |
| Multiresidential             | 49,190,534              | 1.6%          | -                       | 0.0%          | -                       | 0.0%          | -                       | 0.0%          |
| Railroads                    | 3,543,651               | 0.1%          | 3,157,552               | 0.1%          | 3,061,204               | 0.1%          | 2,958,041               | 0.1%          |
| Utilities w/o Gas & Electric | 7,711,274               | 0.2%          | 8,449,747               | 0.3%          | 10,689,993              | 0.4%          | 13,100,079              | 0.5%          |
| Gas & Electric               | <u>12,680,359</u>       | 0.4%          | <u>12,753,854</u>       | 0.4%          | <u>12,739,114</u>       | 0.5%          | <u>12,922,909</u>       | 0.5%          |
| Sub-Total                    | 3,174,610,104           |               | 2,929,646,841           |               | 2,672,117,419           |               | 2,520,526,672           |               |
| (Military Credit)            | <u>(2,287,477)</u>      |               | <u>(2,300,184)</u>      |               | <u>(2,279,812)</u>      |               | <u>(2,214,992)</u>      |               |
| Totals                       | <u>\$ 3,172,322,627</u> |               | <u>\$ 2,927,346,657</u> |               | <u>\$ 2,669,837,607</u> |               | <u>\$ 2,518,311,680</u> |               |

Notes:

\* Does not include TIF Valuation

Source: County Auditor and District records

|    | 2013                 | % of<br>Total | 2012                    | % of<br>Total | 2011                    | % of<br>Total | 2010                    | % of<br>Total | 2009                    | % of<br>Total | 2008                    | % of<br>Total |
|----|----------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|
| \$ | 1,521,419,301        | 66.2%         | \$ 1,391,067,695        | 63.9%         | \$ 1,289,336,556        | 62.0%         | \$ 1,209,740,589        | 61.5%         | \$ 1,049,082,674        | 58.4%         | \$ 894,414,446          | 61.0%         |
|    | 20,654,402           | 0.9%          | 20,027,338              | 0.9%          | 19,312,836              | 0.9%          | 13,792,106              | 0.7%          | 13,393,952              | 0.7%          | 13,510,560              | 0.9%          |
|    | 723,275,370          | 31.5%         | 734,726,132             | 33.7%         | 739,997,380             | 35.6%         | 712,326,724             | 36.2%         | 699,318,821             | 38.9%         | 530,841,969             | 36.2%         |
|    | 4,092,070            | 0.2%          | 4,371,778               | 0.2%          | 3,898,097               | 0.2%          | 4,096,860               | 0.2%          | 4,698,960               | 0.3%          | 4,865,916               | 0.3%          |
|    | -                    | 0.0%          | -                       | 0.0%          | -                       | 0.0%          | -                       | 0.0%          | -                       | 0.0%          | -                       | 0.0%          |
|    | 2,514,569            | 0.1%          | 2,006,741               | 0.1%          | 1,809,118               | 0.1%          | 1,559,461               | 0.1%          | 1,559,461               | 0.1%          | 1,281,039               | 0.1%          |
|    | 13,768,052           | 0.6%          | 14,274,534              | 0.7%          | 14,139,966              | 0.7%          | 13,641,512              | 0.7%          | 12,272,629              | 0.7%          | 11,835,311              | 0.8%          |
|    | 13,055,544           | 0.6%          | 13,218,079              | 0.6%          | 12,386,049              | 0.6%          | 12,991,469              | 0.7%          | 17,468,314              | 1.0%          | 11,994,305              | 0.8%          |
|    | 2,298,779,308        |               | 2,179,692,297           |               | 2,080,880,002           |               | 1,968,148,721           |               | 1,797,794,811           |               | 1,468,743,546           |               |
|    | (2,142,833)          |               | (2,074,710)             |               | (1,950,269)             |               | (1,854,007)             |               | (1,795,576)             |               | (1,697,358)             |               |
| \$ | <u>2,296,636,475</u> |               | <u>\$ 2,177,617,587</u> |               | <u>\$ 2,078,929,733</u> |               | <u>\$ 1,966,294,714</u> |               | <u>\$ 1,795,999,235</u> |               | <u>\$ 1,467,046,188</u> |               |

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUE

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30, | Local revenue                     |   | Intergovernmental revenue |                 | Total          |
|---------------------|-----------------------------------|---|---------------------------|-----------------|----------------|
|                     | General and special revenue funds | Debt service and capital projects funds | State sources             | Federal sources |                |
| 2017                | \$ 43,031,009                     | \$ 21,596,853                           | \$ 65,246,440             | \$ 1,812,276    | \$ 131,686,578 |
| 2016                | \$ 38,586,790                     | \$ 18,081,684                           | \$ 58,731,590             | \$ 1,528,465    | \$ 116,928,529 |
| 2015                | \$ 36,335,567                     | \$ 15,218,794                           | \$ 52,001,373             | \$ 1,502,340    | \$ 105,058,074 |
| 2014                | \$ 31,848,281                     | \$ 16,982,213                           | \$ 46,168,070             | \$ 1,440,092    | \$ 96,438,656  |
| 2013                | \$ 30,985,409                     | \$ 22,302,183                           | \$ 33,947,675             | \$ 1,370,769    | \$ 88,606,036  |
| 2012                | \$ 31,648,612                     | \$ 18,110,093                           | \$ 31,651,321             | \$ 1,160,750    | \$ 82,570,776  |
| 2011                | \$ 26,106,837                     | \$ 8,915,061                            | \$ 26,670,526             | \$ 2,788,705    | \$ 64,481,129  |
| 2010                | \$ 25,163,506                     | \$ 8,928,576                            | \$ 21,556,102             | \$ 4,132,391    | \$ 59,780,575  |
| 2009                | \$ 23,583,562                     | \$ 7,514,685                            | \$ 23,359,239             | \$ 1,021,619    | \$ 55,479,105  |
| 2008                | \$ 26,294,962                     | \$ 9,737,795                            | \$ 21,804,292             | \$ 479,500      | \$ 58,316,549  |

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL TAXPAYERS IN THE WAUKEE COMMUNITY SCHOOL DISTRICT

Current and Nine Years Ago  
(Unaudited)

| Taxpayer                         | 2015 Taxable Values | Percent of Total Assessed Value |
|----------------------------------|---------------------|---------------------------------|
| Wells Fargo Home Mortgage, Inc.  | \$ 212,048,082      | 5.74%                           |
| GCP Jordan Creek LLC             | 150,198,750         | 4.06%                           |
| Aviva Real Property Holdings LLC | 49,445,163          | 1.34%                           |
| Jordan Creek Town Center LLC     | 46,218,996          | 1.25%                           |
| Microsoft Corporation            | 42,757,173          | 1.16%                           |
| Dallas County Partners II        | 28,342,962          | 0.77%                           |
| HyVee, Inc.                      | 27,104,859          | 0.73%                           |
| Iowa Clinic West Lakes I, LLC    | 21,822,390          | 0.59%                           |
| CCOP I LLC                       | 21,679,623          | 0.59%                           |
| Health Care REIT                 | 20,432,377          | 0.55%                           |
| Total                            | \$ 620,050,375      |                                 |
| Total Taxable Assessed Value     | \$ 3,697,362,634    |                                 |

| Taxpayer                                  | 2006 Taxable Values | Percent of Total Assessed Value |
|---|---------------------|---------------------------------|
| Wells Fargo Home Mortgage, Inc.           | \$ 194,964,583      | 10.35%                          |
| GCP Jordan Creek LLC                      | 174,282,507         | 9.25%                           |
| CCOP I LLC                                | 51,790,814          | 2.75%                           |
| Dallas County Partners II                 | 31,640,092          | 1.68%                           |
| West Lakes Development Company            | 20,419,116          | 1.08%                           |
| Wal-Mart Real Estate Business Trust       | 15,578,143          | 0.83%                           |
| Northwood Village Ltd                     | 14,635,593          | 0.78%                           |
| Sherman Hills Real Estate Partnership LLP | 14,600,478          | 0.78%                           |
| Moody National M Des Moines, IA LLC       | 13,787,569          | 0.73%                           |
| Dallas County Partners                    | 13,361,239          | 0.71%                           |
| Total                                     | \$ 350,095,551      |                                 |
| Total Taxable Assessed Value              | \$ 1,883,152,698    |                                 |

Source: Dallas County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARATIVE RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA

Last Ten Fiscal Years  
(Unaudited)

| Collection Year | Population (a) | 100%             |                      | 2015 Taxable Values |          |                 |
|-----------------|----------------|------------------|----------------------|---------------------|----------|-----------------|
|                 |                | Actual Value     | Legal Debt Limit(5%) | Indebtedness        | Assessed | Debt per Capita |
| 2017            | 37,076         | \$ 5,734,150,013 | \$ 286,707,501       | \$ 122,445,000      | 2.14%    | \$ 3,303        |
| 2016            | 37,076         | \$ 5,291,148,460 | \$ 264,557,423       | \$ 104,285,000      | 1.97%    | \$ 2,813        |
| 2015            | 37,076         | \$ 4,813,877,135 | \$ 240,693,857       | \$ 102,040,000      | 2.12%    | \$ 2,752        |
| 2014            | 37,076         | \$ 4,477,825,654 | \$ 223,891,283       | \$ 91,910,000       | 2.05%    | \$ 2,479        |
| 2013            | 37,076         | \$ 4,303,921,340 | \$ 215,196,067       | \$ 113,395,000      | 2.63%    | \$ 3,058        |
| 2012            | 37,076         | \$ 4,132,002,413 | \$ 206,600,121       | \$ 121,265,000      | 2.93%    | \$ 3,271        |
| 2011            | 37,076         | \$ 3,964,429,946 | \$ 198,221,497       | \$ 104,730,000      | 2.64%    | \$ 2,825        |
| 2010            | 37,076         | \$ 3,822,756,705 | \$ 191,137,835       | \$ 110,770,000      | 2.90%    | \$ 2,988        |
| 2009            | 13,173         | \$ 3,502,206,021 | \$ 175,110,301       | \$ 116,575,000      | 3.33%    | \$ 8,850        |
| 2008            | 13,173         | \$ 2,981,081,661 | \$ 149,054,083       | \$ 72,945,000       | 2.45%    | \$ 5,537        |

Notes:

(a) U.S. Department of Commerce, Bureau of Census

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT  
TO TOTAL GOVERNMENTAL FUND EXPENDITURES

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30, | Principal     | Interest     | Total Debt Service | Total Expenditures | Ratio of Debt Service to Total Expenditures |
|---------------------|---------------|--------------|--------------------|--------------------|---|
| 2017                | \$ 13,880,000 | \$ 7,206,562 | \$ 21,086,562      | \$ 141,815,410     | 14.87%                                      |
| 2016                | \$ 15,220,000 | \$ 6,484,070 | \$ 21,704,070      | \$ 139,812,598     | 15.52%                                      |
| 2015                | \$ 11,215,000 | \$ 6,267,366 | \$ 17,482,366      | \$ 123,990,446     | 14.10%                                      |
| 2014                | \$ 20,490,000 | \$ 5,403,107 | \$ 25,893,107      | \$ 125,715,164     | 20.60%                                      |
| 2013                | \$ 17,915,000 | \$ 5,314,568 | \$ 23,229,568      | \$ 111,222,200     | 20.89%                                      |
| 2012                | \$ 14,585,000 | \$ 4,881,486 | \$ 19,466,486      | \$ 98,010,338      | 19.86%                                      |
| 2011                | \$ 8,715,000  | \$ 4,970,492 | \$ 13,685,492      | \$ 81,544,822      | 16.78%                                      |
| 2010                | \$ 26,685,000 | \$ 5,777,565 | \$ 32,462,565      | \$ 131,162,303     | 24.75%                                      |
| 2009                | \$ 8,845,000  | \$ 3,584,653 | \$ 12,429,653      | \$ 72,644,999      | 17.11%                                      |
| 2008                | \$ 13,215,000 | \$ 3,097,409 | \$ 16,312,409      | \$ 72,903,598      | 22.38%                                      |

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30,                             | 2017             | 2016             | 2015             | 2014             | 2013             |
|---|------------------|------------------|------------------|------------------|------------------|
| Assessed value of property                      | \$ 5,734,150,013 | \$ 5,291,148,460 | \$ 4,813,877,135 | \$ 4,477,825,654 | \$ 4,303,921,340 |
| Debt limit-5% of 100% assessed value            | 286,707,501      | 264,557,423      | 240,693,857      | 223,891,283      | 215,196,067      |
| Amount of debt applicable to debt limit:        |                  |                  |                  |                  |                  |
| General obligation bonds                        | 109,765,000      | 90,630,000       | 99,325,000       | 86,555,000       | 105,515,000      |
| General obligation capital loan note bonds      | 12,680,000       | 13,655,000       | 2,715,000        | 5,355,000        | 7,880,000        |
| Total debt applicable to debt limit             | 122,445,000      | 104,285,000      | 102,040,000      | 91,910,000       | 113,395,000      |
| Legal debt margin                               | \$ 164,262,501   | \$ 160,272,423   | \$ 138,653,857   | \$ 131,981,283   | \$ 101,801,067   |
| Legal debt margin as a percentage of debt limit | 57.29%           | 60.58%           | 57.61%           | 58.95%           | 47.31%           |

Source: District Records



| 2012             | 2011             | 2010             | 2009             | 2008             |
|------------------|------------------|------------------|------------------|------------------|
| \$ 4,132,002,413 | \$ 3,964,429,946 | \$ 3,822,756,705 | \$ 3,502,206,021 | \$ 2,981,081,661 |
| 206,600,121      | 198,221,497      | 191,137,835      | 175,110,301      | 149,054,083      |
| 110,465,000      | 96,445,000       | 101,005,000      | 105,380,000      | 60,370,000       |
| 10,800,000       | 8,285,000        | 9,765,000        | 11,195,000       | 12,575,000       |
| 121,265,000      | 104,730,000      | 110,770,000      | 116,575,000      | 72,945,000       |
| \$ 85,335,121    | \$ 93,491,497    | \$ 80,367,835    | \$ 58,535,301    | \$ 76,109,083    |
| 41.30%           | 47.17%           | 42.05%           | 33.43%           | 51.06%           |

WAUKEE COMMUNITY SCHOOL DISTRICT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years  
(Unaudited)

| Fiscal Year | General Obligation       |                         | Bond                       | Less: Amount                |                | Total | Percent of Actual Taxable Value of |                |
|-------------|--------------------------|-------------------------|----------------------------|-----------------------------|----------------|-------|------------------------------------|----------------|
|             | General Obligation Bonds | Capital Loan Note Bonds | Premiums and Discounts (*) | Restricted for Debt Service |                |       | Property (a)                       | Per Capita (b) |
| 2017        | \$ 109,765,000           | \$ 12,680,000           | \$ 5,544,722               | \$ 33,799,287               | \$ 94,190,435  | 1.87% | \$ 2,540                           |                |
| 2016        | \$ 90,630,000            | \$ 13,655,000           | \$ 3,898,006               | \$ 921,108                  | \$ 107,261,898 | 1.97% | \$ 2,893                           |                |
| 2015        | \$ 99,325,000            | \$ 2,715,000            | \$ 2,972,082               | \$ 912,522                  | \$ 104,099,560 | 2.16% | \$ 2,808                           |                |
| 2014        | \$ 86,555,000            | \$ 5,355,000            | \$ 752,385                 | \$ 993,273                  | \$ 91,669,112  | 2.05% | \$ 2,472                           |                |
| 2013        | \$ 105,515,000           | \$ 7,880,000            | \$ -                       | \$ 11,789,967               | \$ 101,605,033 | 2.36% | \$ 2,740                           |                |
| 2012        | \$ 110,465,000           | \$ 10,800,000           | \$ -                       | \$ 9,664,026                | \$ 111,600,974 | 2.70% | \$ 3,010                           |                |
| 2011        | \$ 96,445,000            | \$ 8,285,000            | \$ -                       | \$ 4,450,438                | \$ 100,279,562 | 2.53% | \$ 2,705                           |                |
| 2010        | \$ 101,005,000           | \$ 9,765,000            | \$ -                       | \$ 4,229,495                | \$ 106,540,505 | 2.79% | \$ 2,874                           |                |
| 2009        | \$ 105,380,000           | \$ 11,195,000           | \$ -                       | \$ 8,157,269                | \$ 108,417,731 | 3.10% | \$ 8,230                           |                |
| 2008        | \$ 60,370,000            | \$ 12,575,000           | \$ -                       | \$ 9,432,642                | \$ 63,512,358  | 2.13% | \$ 4,821                           |                |

Source: District records

Notes:

(a) Actual taxable value of property includes Tax Increment Financing valuation. Assessed value equals estimated actual value.

See pages 106-107 for actual taxable value of property.

(b) See Page 115 for population data.

(\*) Starting in 2014, the bond premiums and discounts are being shown here. The District will levy taxes for general obligation debts.

WAUKEE COMMUNITY SCHOOL DISTRICT  
COMPUTATION OF OVERLAPPING AND DIRECT DEBT

As of June 30, 2017  
(Unaudited)

|  | Taxable Valuation | Taxable Valuation<br>Within District | Percent in<br>District | G. O.<br>Debt  | Waukee CSD<br>Share of the Debt |
|--|-------------------|--------------------------------------|------------------------|----------------|---------------------------------|
| Dallas County                                    | \$ 5,705,889,470  | \$ 4,001,584,144                     | 70.13%                 | \$ 11,205,000  | \$ 7,858,153                    |
| City of Waukee                                   | 988,006,921       | 978,470,223                          | 99.03%                 | 56,979,322     | 56,429,331                      |
| City of Clive                                    | 1,434,281,231     | 433,427,925                          | 30.22%                 | 24,630,000     | 7,442,982                       |
| City of Urbandale                                | 2,984,701,061     | 665,161,569                          | 22.29%                 | 67,425,000     | 15,026,134                      |
| City of West Des Moines                          | 4,973,828,618     | 1,924,524,527                        | 38.69%                 | 160,930,000    | 62,268,678                      |
| Area XI Des Moines Area Community College        | 44,182,123,623    | 4,001,584,144                        | 9.06%                  | 76,105,000     | 6,892,846                       |
| Total District Share of Overlapping Debt         |                   |                                      |                        |                | <u>\$ 155,918,124</u>           |
| Direct, Waukee Community School District:        |                   |                                      |                        |                |                                 |
| General Obligation                               |                   |                                      | 100.00%                | \$ 109,765,000 | \$ 109,765,000                  |
| Sales Tax Revenue Bonds                          |                   |                                      | 100.00%                | 59,320,000     | 59,320,000                      |
| General Obligation Capital Loan Notes            |                   |                                      | 100.00%                | 12,680,000     | 12,680,000                      |
| Bond Premiums and Discounts                      |                   |                                      | 100.00%                | 6,998,048      | 6,998,048                       |
| Total District Direct Debt                       |                   |                                      |                        |                | <u>\$ 188,763,048</u>           |
| Grand Total District Overlapping and Direct Debt |                   |                                      |                        |                | <u><u>\$ 344,681,172</u></u>    |

Notes: The percentage applicable to the District is determined by the portion of the District geographical boundary included in the total boundary of the respective governmental entity.

Source: District records, County Auditor's office, City of Waukee, City of Clive, City of Grimes, City of Urbandale, City of West Des Moines, Area XI Des Moines Area Community College.

WAUKEE COMMUNITY SCHOOL DISTRICT

OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years  
(Unaudited)

| Governmental Activities |                    |               |                         |                            |                          |                     |  |                |
|-------------------------|--------------------|---------------|-------------------------|----------------------------|--------------------------|---------------------|--|----------------|
| Fiscal Year             | General Obligation |               | General Obligation      | Bond                       | Total Primary Government | Percentage of       |  | Per Capita (a) |
|                         | Bonds              | Revenue Bonds | Capital Loan Note Bonds | Premiums and Discounts (*) |                          | Personal Income (a) |  |                |
| 2017                    | \$ 109,765,000     | \$ 59,320,000 | \$ 12,680,000           | \$ 6,998,048               | \$ 188,763,048           | N/A                 |  | \$ 5,091       |
| 2016                    | \$ 90,630,000      | \$ 63,240,000 | \$ 13,655,000           | \$ 5,469,712               | \$ 172,994,712           | 8.92%               |  | \$ 4,666       |
| 2015                    | \$ 99,325,000      | \$ 67,050,000 | \$ 2,715,000            | \$ 2,972,082               | \$ 172,062,082           | 10.12%              |  | \$ 4,641       |
| 2014                    | \$ 86,555,000      | \$ 49,630,000 | \$ 5,355,000            | \$ 752,385                 | \$ 142,292,385           | 9.29%               |  | \$ 3,838       |
| 2013                    | \$ 105,515,000     | \$ 19,335,000 | \$ 7,880,000            | \$ -                       | \$ 132,730,000           | 9.12%               |  | \$ 3,580       |
| 2012                    | \$ 110,465,000     | \$ 22,335,000 | \$ 10,800,000           | \$ -                       | \$ 143,600,000           | 11.14%              |  | \$ 3,873       |
| 2011                    | \$ 96,445,000      | \$ 8,680,000  | \$ 8,285,000            | \$ -                       | \$ 113,410,000           | 9.81%               |  | \$ 3,059       |
| 2010                    | \$ 101,005,000     | \$ 11,355,000 | \$ 9,765,000            | \$ -                       | \$ 122,125,000           | 12.35%              |  | \$ 3,294       |
| 2009                    | \$ 105,380,000     | \$ 13,925,000 | \$ 11,195,000           | \$ -                       | \$ 130,500,000           | 13.79%              |  | \$ 9,907       |
| 2008                    | \$ 60,370,000      | \$ 16,400,000 | \$ 12,575,000           | \$ -                       | \$ 89,345,000            | 10.13%              |  | \$ 6,782       |

Source: District records

Notes: N/A = not available. Details of the District's outstanding debt can be found in Note 6 in the notes to the financial statements.  
(a) See Page 115 for personal income and population data. These ratios are calculated using personal income and population from the prior year calendar year.

(\*) Starting in 2014, the bond premiums and discounts are being shown here. The District will levy taxes for general obligation debts.

WAUKEE COMMUNITY SCHOOL DISTRICT

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years  
(Unaudited)

| Fiscal Year | Revenue      | Principal    | Interest     | Total        | Coverage |
|-------------|--------------|--------------|--------------|--------------|----------|
| 2017        | \$ 9,020,585 | \$ 3,920,000 | \$ 2,217,507 | \$ 6,137,507 | 1.47     |
| 2016        | \$ 8,381,818 | \$ 3,810,000 | \$ 2,324,836 | \$ 6,134,836 | 1.37     |
| 2015        | \$ 7,867,527 | \$ 2,570,000 | \$ 1,867,841 | \$ 4,437,841 | 1.77     |
| 2014        | \$ 7,269,180 | \$ 3,180,000 | \$ 622,050   | \$ 3,802,050 | 1.91     |
| 2013        | \$ 6,197,267 | \$ 3,000,000 | \$ 648,448   | \$ 3,648,448 | 1.70     |
| 2012        | \$ 5,170,073 | \$ 8,680,000 | \$ 485,917   | \$ 9,165,917 | 0.56     |
| 2011        | \$ 5,585,731 | \$ 2,675,000 | \$ 482,558   | \$ 3,157,558 | 1.77     |
| 2010        | \$ 3,803,136 | \$ 2,570,000 | \$ 591,812   | \$ 3,161,812 | 1.20     |
| 2009        | \$ 4,785,137 | \$ 2,475,000 | \$ 690,812   | \$ 3,165,812 | 1.51     |
| 2008        | \$ 4,780,752 | \$ 2,500,000 | \$ 659,010   | \$ 3,159,010 | 1.51     |

Source: District records

Notes: Details of the District's outstanding debt can be found in Note 6 in the notes to the financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL ANALYSIS OF FACILITIES, CLASSROOMS AND STAFFING

June 30, 2017  
(Unaudited)

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| Name of School                                     | Dates of Construction                    | Grades Served               |
|--|--|-----------------------------|
| Elementary Schools:                                |  |                             |
| Vince Meyer Learning Center                        | 1917, 1957, 1974, 1979, 1987, 1999, 2013 | 5 and Special Education     |
| Brookview  | 2001, 2002, 2004                         | K-5 and Special Education   |
| Eason  | 1994, 2002                               | K-5 and Special Education   |
| Walnut Hills                                       | 2005                                     | PK-5 and Special Education  |
| Maple Grove  | 2007                                     | K-5 and Special Education   |
| Waukee   | 2010                                     | PK-4 and Special Education  |
| Shuler   | 2010                                     | K-5 and Special Education   |
| Woodland Hills                                     | 2013                                     | PK-5 and Special Education  |
| Grant Ragan  | 2016                                     | PK-5 and Special Education  |
| Waukee Middle School                               | 1974, 1977, 1987, 1994, 1997, 1999, 2008 | 6-7 and Special Education   |
| South Middle School                                | 2010                                     | 6-7 and Special Education   |
| Prairieview  | 2004, 2009                               | 8-9 and Special Education   |
| Timberline   | 2015                                     | 8-9 and Special Education   |
| Waukee High School                                 | 1997, 2000, 2001, 2006, 2013             | 10-12 and Special Education |
|  |  | District Wide               |
| Other facilities - non-student occupancy:          |  |                             |
| Waukee Elementary Annex                            | 1932, 1995                               |                             |
| District Administration                            | 2003, 2007                               |                             |
| District Central Receiving/Transportation Facility | 2003                                     |                             |

Source: District records

| Building Served | Enrollment Oct. 2016 | Certified Staff | Pupil/Teacher Ratio | Number of Classrooms | Teaching Sections |
|-----------------|----------------------|-----------------|---------------------|----------------------|-------------------|
| -               | -                    | -               | -                   | -                    | -                 |
| 626             | 42.6                 | 14.68           | 28                  | 27                   |                   |
| 577             | 38.6                 | 14.94           | 29                  | 25                   |                   |
| 619             | 43.1                 | 14.37           | 38                  | 26                   |                   |
| 744             | 49.8                 | 14.95           | 26                  | 29                   |                   |
| 694             | 47.6                 | 14.59           | 31                  | 24                   |                   |
| 690             | 44.3                 | 15.59           | 31                  | 29                   |                   |
| 571             | 40.5                 | 14.10           | 25                  | 22                   |                   |
| 693             | 45.8                 | 15.12           | 39                  | 29                   |                   |
| 5,214           | 352.3                | 14.80           | 247                 | 211                  |                   |
| 720             | 55.8                 | 12.91           | 69                  | -                    |                   |
| 706             | 56.5                 | 12.50           | 71                  | -                    |                   |
| 680             | 48.3                 | 14.09           | 43                  | -                    |                   |
| 706             | 48.0                 | 14.71           | 43                  | -                    |                   |
| 1,780           | 117.5                | 15.15           | 93                  | -                    |                   |
| 9,806           | 678.3                | 14.46           | 566                 | 211                  |                   |

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT STAFFING LEVELS

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30,         | 2017     | 2016     | 2015     | 2014   | 2013   | 2012   | 2011   | 2010   | 2009   | 2008   |
|-----------------------------|----------|----------|----------|--------|--------|--------|--------|--------|--------|--------|
| <b>Administration:</b>      |          |          |          |        |        |        |        |        |        |        |
| Superintendent              | 1.00     | 1.00     | 1.00     | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Principal                   | 13.00    | 12.00    | 12.00    | 11.00  | 10.00  | 10.00  | 10.00  | 8.00   | 8.00   | 8.00   |
| Associate Principal         | 11.00    | 11.00    | 9.00     | 8.00   | 7.00   | 4.00   | 4.00   | 4.00   | 4.50   | 2.00   |
| Other Administrators        | 9.00     | 9.00     | 8.00     | 7.00   | 6.00   | 5.00   | 5.00   | 6.00   | 6.00   | 6.00   |
| Total Administration        | 34.00    | 33.00    | 30.00    | 27.00  | 24.00  | 20.00  | 20.00  | 19.00  | 19.50  | 17.00  |
| <b>Other Professionals</b>  |          |          |          |        |        |        |        |        |        |        |
| <b>Instruction:</b>         |          |          |          |        |        |        |        |        |        |        |
| Teacher                     | 614.11   | 596.45   | 553.80   | 514.87 | 484.23 | 438.54 | 416.93 | 332.03 | 384.34 | 357.44 |
| Curriculum Specialist       | 26.00    | 20.00    | 16.00    | 17.00  | 15.00  | 8.50   | 9.00   | 1.00   | 0.50   | 2.00   |
| Counselor                   | 27.00    | 26.50    | 19.50    | 18.50  | 15.00  | 15.00  | 21.00  | 18.50  | 18.50  | 17.00  |
| Title I                     | 4.00     | 3.25     | 3.50     | 4.00   | 3.50   | 3.50   | 4.25   | 3.50   | 1.50   | 2.00   |
| Media Specialist            | 11.00    | 12.00    | 11.00    | 11.00  | 10.00  | 10.00  | 10.00  | 8.00   | 8.00   | 7.00   |
| Total Instruction           | 682.11   | 658.20   | 603.80   | 565.37 | 527.73 | 475.54 | 461.18 | 363.03 | 412.84 | 385.44 |
| <b>Professional, Other:</b> |          |          |          |        |        |        |        |        |        |        |
| Nurse                       | 11.00    | 10.00    | 9.00     | 9.00   | 8.00   | 8.00   | 8.00   | 6.00   | 6.00   | 9.00   |
| Other Professional          | 14.00    | 14.00    | 13.00    | 13.00  | 13.00  | 13.00  | 14.00  | 7.00   | 14.00  | 9.50   |
| Total Professional, Other   | 25.00    | 24.00    | 22.00    | 22.00  | 21.00  | 21.00  | 22.00  | 13.00  | 20.00  | 18.50  |
| <b>Support Personnel:</b>   |          |          |          |        |        |        |        |        |        |        |
| Office/Clerical             | 38.64    | 36.60    | 36.29    | 32.70  | 36.12  | 34.00  | 33.00  | 31.44  | 36.00  | 28.00  |
| Crafts/Trades               | 4.00     | 4.00     | 4.00     | 4.00   | 4.00   | 4.00   | 4.00   | 4.00   | 4.00   | 4.00   |
| Teacher Associates          | 179.99   | 181.70   | 160.76   | 146.41 | 131.48 | 125.00 | 119.00 | 123.00 | 105.11 | 96.50  |
| Other Support Personnel     | 187.74   | 203.10   | 174.48   | 174.89 | 132.18 | 97.00  | 127.00 | 98.07  | 104.87 | 72.30  |
| Total Support Personnel     | 410.37   | 425.40   | 375.53   | 358.00 | 303.78 | 260.00 | 283.00 | 256.51 | 249.98 | 200.80 |
| Totals                      | 1,151.48 | 1,140.60 | 1,031.33 | 972.37 | 876.51 | 776.54 | 786.18 | 651.54 | 702.32 | 621.74 |

Source: District records



WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT AND AREA UNEMPLOYMENT RATES AND PER CAPITA INCOME

Last Ten Fiscal Years  
(Unaudited)

| Calendar Year | Population (a) | Personal<br>Income (b) | Adjusted<br>Gross Income<br>per Tax Return<br>(b) | Per Capita<br>Personal<br>Income | Unemployment<br>Rate (c)<br>State of Iowa | Unemployment<br>Rate (c)<br>Des Moines<br>Area |
|---------------|----------------|------------------------|---|----------------------------------|---|--|
| 2017          | 37,076         | N/A                    | N/A   | N/A                              | 3.2%                                      | 3.1%   |
| 2016          | 37,076         | \$ 1,939,504,136       | \$ 77,923   | \$ 52,312                        | 4.0%                                      | 3.8%   |
| 2015          | 37,076         | \$ 1,699,804,876       | \$ 73,350   | \$ 45,847                        | 3.7%                                      | 4.0%   |
| 2014          | 37,076         | \$ 1,531,463,363       | \$ 70,695   | \$ 41,306                        | 4.4%                                      | 4.3%   |
| 2013          | 37,076         | \$ 1,455,243,830       | \$ 81,595   | \$ 39,250                        | 4.6%                                      | 4.8%   |
| 2012          | 37,076         | \$ 1,289,558,901       | \$ 72,305   | \$ 34,782                        | 5.4%                                      | 5.5%   |
| 2011          | 37,076         | \$ 1,155,726,388       | \$ 64,801   | \$ 31,172                        | 6.0%                                      | 6.7%   |
| 2010          | 37,076         | \$ 988,903,114         | \$ 59,376   | \$ 26,672                        | 6.8%                                      | 6.8%   |
| 2009          | 13,173         | \$ 946,060,501         | \$ 60,432   | \$ 71,818                        | 6.6%                                      | 6.5%   |
| 2008          | 13,173         | \$ 881,578,252         | \$ 60,610   | \$ 66,923                        | 4.6%                                      | 4.1%   |

Notes:

N/A = not available.

(a) U.S. Department of Commerce, Bureau of Census

(b) Iowa Department of Revenue

(c) Iowa Workforce Development

WAUKEE COMMUNITY SCHOOL DISTRICT

SUMMARY OF HISTORICAL RETAIL SALES  
(In Millions)

Last Ten Years  
(Unaudited)

| Year | Dallas<br>County | Percent<br>Increase | Waukee    | Percent<br>Increase | West<br>Des Moines | Percent<br>Increase | Des Moines  | Percent<br>Increase |
|------|------------------|---------------------|-----------|---------------------|--------------------|---------------------|-------------|---------------------|
| 2016 | \$ 1,223.79      | 5.3%                | \$ 227.41 | 12.1%               | \$ 758.59          | 4.9%                | \$ 3,789.29 | 3.5%                |
| 2015 | \$ 1,162.42      | 7.4%                | \$ 202.77 | 11.3%               | \$ 723.44          | 7.1%                | \$ 3,661.24 | 6.4%                |
| 2014 | \$ 1,082.61      | 2.9%                | \$ 182.26 | 22.8%               | \$ 675.21          | -1.1%               | \$ 3,439.86 | 3.4%                |
| 2013 | \$ 1,052.08      | -4.1%               | \$ 148.44 | 23.0%               | \$ 682.39          | -9.0%               | \$ 3,325.45 | 1.9%                |
| 2012 | \$ 1,097.52      | 16.0%               | \$ 120.68 | 15.0%               | \$ 749.96          | 18.0%               | \$ 3,264.36 | 2.2%                |
| 2011 | \$ 946.45        | 5.8%                | \$ 104.95 | 10.6%               | \$ 635.69          | 5.6%                | \$ 3,195.13 | 2.8%                |
| 2010 | \$ 894.95        | -6.1%               | \$ 94.85  | 5.2%                | \$ 602.13          | -8.9%               | \$ 3,107.94 | -5.8%               |
| 2009 | \$ 953.12        | 15.6%               | \$ 90.13  | -9.7%               | \$ 660.75          | 22.5%               | \$ 3,300.12 | -4.9%               |
| 2008 | \$ 824.68        | 10.4%               | \$ 99.80  | -3.0%               | \$ 539.37          | -59.9%              | \$ 3,470.69 | 1.5%                |
| 2007 | \$ 747.18        | 10.8%               | \$ 102.89 | -15.0%              | \$ 1,345.69        | -27.8%              | \$ 3,418.12 | -2.4%               |

Source: Iowa Department of Revenue and Finance

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL EMPLOYERS IN THE DISTRICT

Current year and nine years ago  
(Unaudited)

Presented below is a list of employers located within the Waukee Community School District, the type of business conducted and an approximate number of employees for each.

| District Employers               | Product/Service           | 2017      |            | 2008      |            |
|----------------------------------|---------------------------|-----------|------------|-----------|------------|
|                                  |                           | Employees | % of Total | Employees | % of Total |
| Wells Fargo Home Mortgage        | Financial                 | 3,177     |            | 3,247     |            |
| Athene Holding Ltd.              | Insurance                 | 1,320     |            | -         |            |
| Wells Fargo Card Services        | Financial                 | 1,278     |            | -         |            |
| Waukee Community Schools         | Education                 | 1,151     |            | 622       |            |
| Hy-Vee                           | Food Supplier             | 759       |            | 1,500     |            |
| Iowa Foundation for Medical Care | Health Care               | 645       |            | 623       |            |
| Iowa Student Loan                | Financial                 | 400       |            | -         |            |
| Waukee Family YMCA               | Family Recreation         | 370       |            | -         |            |
| Quad Graphics                    | Printing/Book Binding     | 220       |            | -         |            |
| Gilcrest Jewett                  | Lumber/Building Materials | 145       |            | -         |            |
| Stivers Ford                     | Automobile Sales/Service  | 110       |            | -         |            |
| Atlantic Bottling                | Manufacturing             | 100       |            | -         |            |
| Monarch Manufacturing            | Window Manufacturing      | 95        |            | -         |            |
| West Des Moines School           | Education                 | -         |            | 1,200     |            |
| Iowa Farm Bureau                 | Agriculture               | -         |            | 1,117     |            |
| Marsh Insurance                  | Benefit Insurance         | -         |            | 950       |            |
| Guide One                        | Insurance                 | -         |            | 642       |            |
| Total                            |                           | 9,770     |            | 9,901     |            |

| Larger employers in the area     | Product/Service         | 2017      |            | 2008      |            |
|----------------------------------|-------------------------|-----------|------------|-----------|------------|
|                                  |                         | Employees | % of Total | Employees | % of Total |
| Wells Fargo & Co                 | Financial Services      | 14,500    |            | -         |            |
| Hy-Vee Food Stores, Inc.         | Retail Grocery and Drug | 6,400     |            | -         |            |
| Mercy Hospital Medical Center    | Health Care             | 7,055     |            | 6,200     |            |
| UnityPoint Health                | Health Care             | 7,797     |            | 4,018     |            |
| Principal Financial Group        | Insurance               | 6,182     |            | 7,600     |            |
| Nationwide/Allied Insurance      | Insurance               | 4,442     |            | -         |            |
| John Deere Companies             | Agricultural Sales      | 3,089     |            | -         |            |
| DuPont Pioneer                   | Agricultural Sales      | 2,495     |            | 2,000     |            |
| State of Iowa                    | Government              | -         |            | 6,749     |            |
| United States Government         | Government              | -         |            | 6,100     |            |
| Des Moines Ind. School District  | Government              | -         |            | 5,325     |            |
| Wellmark Blue Cross Blue Shield  | Insurance               | -         |            | 2,066     |            |
| Bridgestone-Firestone            | Manufacturing           | -         |            | 1,800     |            |
| City of Des Moines               | Government              | -         |            | 1,600     |            |
| Communication Data Services, Inc | Data Entry              | -         |            | 1,200     |            |
| Total                            |                         | 31,060    |            | 44,658    |            |

Notes: Percentages of total employment are unavailable for both 2008 and 2017.  
In 2008, the District reported 10 or more larger employers in the area.  
In 2017, the District is reporting 10 or more employers within the District.

Source: City Chambers of Commerce, Greater Dallas County Development Alliance, Greater Des Moines Partnership, the District, and company inquiries conducted August 2017.

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT POPULATION

June 30, 2017  
(Unaudited)

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| Census Year | Dallas County | City of Waukee | City of Clive | City of Grimes | City of<br>Urbandale | City of West Des<br>Moines |
|-------------|---------------|----------------|---------------|----------------|----------------------|----------------------------|
| 2015*       | N/A           | 17,945         | 15,447        | 15,447         | 39,463               | 56,609                     |
| 2010        | 66,135        | 13,790         | 15,447        | 15,447         | 39,463               | 56,609                     |
| 2000        | 40,750        | 5,126          | 12,855        | 12,855         | 29,072               | 46,403                     |
| 1990        | 29,755        | 2,512          | 7,462         | 7,462          | 23,500               | 31,702                     |

Source: U.S. Census Bureau

\*2015 Special Census

WAUKEE COMMUNITY SCHOOL DISTRICT  
 CERTIFIED RESIDENT STUDENT ENROLLMENT BY GRADE

Last Ten Fiscal Years  
 (Unaudited)

| Grade   | 2017          | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   | 2010   | 2009   | 2008   |
|---|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| PK  | 129           | 120    | 31     | 36     | 34     | 29     | 30     | 30     | 24     | 29     |
| K   | 844           | 828    | 821    | 715    | 768    | 672    | 625    | 577    | 595    | 555    |
| 1   | 854           | 849    | 731    | 761    | 697    | 628    | 603    | 584    | 568    | 577    |
| 2   | 850           | 767    | 764    | 729    | 675    | 598    | 601    | 547    | 584    | 549    |
| 3   | 811           | 804    | 733    | 670    | 636    | 603    | 542    | 581    | 570    | 507    |
| 4   | 823           | 759    | 690    | 653    | 625    | 562    | 581    | 549    | 513    | 510    |
| 5   | 800           | 712    | 659    | 625    | 594    | 580    | 559    | 516    | 522    | 427    |
| 6   | 741           | 669    | 651    | 613    | 628    | 560    | 524    | 504    | 431    | 449    |
| 7   | 689           | 693    | 627    | 623    | 581    | 512    | 517    | 423    | 451    | 367    |
| 8   | 705           | 630    | 622    | 562    | 533    | 506    | 419    | 432    | 378    | 321    |
| 9   | 641           | 619    | 564    | 523    | 535    | 413    | 438    | 362    | 316    | 317    |
| 10  | 628           | 570    | 517    | 513    | 428    | 440    | 355    | 297    | 308    | 283    |
| 11  | 563           | 518    | 516    | 412    | 461    | 363    | 304    | 285    | 304    | 313    |
| 12  | 521           | 526    | 418    | 449    | 381    | 292    | 282    | 272    | 321    | 254    |
| District Served Enrollment  | 9599.0        | 9064.0 | 8344.7 | 7884.3 | 7576.0 | 6758.0 | 6380.0 | 5959.0 | 5885.0 | 5458.0 |
| Open Enrollment/Tuition In  | 209.0         | 215.0  | 214.0  | 222.0  | 210.0  | 191.0  | 185.1  | 169.2  | 175.0  | 199.0  |
| Open Enrollment/Tuition Out<br>(includes Home & Alt. School Students) | 508.7         | 462.4  | 428.6  | 404.3  | 353.6  | 365.7  | 311.6  | 308.1  | 257.4  | 229.3  |
| Certified Resident Enrollment   | <u>9898.7</u> | 9311.4 | 8559.3 | 8066.6 | 7719.6 | 6932.7 | 6506.5 | 6097.9 | 5967.4 | 5488.3 |

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

OPERATING COST PER PUPIL

Last Ten Fiscal Years  
(Unaudited)

| Year ended June 30, | Total Costs*  | Daily<br>Membership | Operating Cost<br>per Pupil |
|---------------------|---------------|---------------------|-----------------------------|
| 2017                | \$ 94,978,270 | 9,632               | \$ 9,861                    |
| 2016                | \$ 88,148,318 | 9,059               | \$ 9,731                    |
| 2015                | \$ 79,309,123 | 8,461               | \$ 9,373                    |
| 2014                | \$ 72,661,299 | 7,994               | \$ 9,090                    |
| 2013                | \$ 65,349,245 | 7,479               | \$ 8,737                    |
| 2012                | \$ 59,848,076 | 6,884               | \$ 8,694                    |
| 2011                | \$ 54,877,739 | 6,472               | \$ 8,479                    |
| 2010                | \$ 51,246,632 | 6,021               | \$ 8,511                    |
| 2009                | \$ 41,081,400 | 5,441               | \$ 7,550                    |
| 2008                | \$ 34,311,684 | 5,065               | \$ 6,774                    |

\*Includes only General Fund expenditures.

Source: District records

Waukee Community School District  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2017

| Grantor/Program  | CFDA<br>Number | Grant<br>Number | Expenditures |
|--|----------------|-----------------|--------------|
| Indirect:  |                |                 |              |
| U.S. Department of Agriculture:  |                |                 |              |
| Iowa Department of Education:  |                |                 |              |
| School Nutrition Cluster Programs:   |                |                 |              |
| School Breakfast Program   | 10.553         | FY 17           | \$ 142,333   |
| National School Lunch Program  | 10.555         | FY 17           | 1,349,632 *  |
| Summer Food Service Program for Children   | 10.559         | FY 17           | 4,860        |
|  |                |                 | 1,496,825    |
| U.S. Department of Education:  |                |                 |              |
| Iowa Department of Education:  |                |                 |              |
| Title I, Part A Cluster:   |                |                 |              |
| Title I Grants to Local Educational Agencies   | 84.010         | FY 17           | 376,490      |
| Title I Grants to Local Educational Agencies - SINA                                    | 84.010         | FY 17           | 9,195        |
|  |                |                 | 385,685      |
| Individuals with Disabilities Education Act (Misc IDEA Reim)                           | 84.027         | FY 17           | 180          |
| Special Education - State Personnel Development Grants<br>(Handicapped Personnel Prep) | 84.048         | FY 17           | 1,324        |
| Advance Placement Program  | 84.330         | FY 17           | 1,558        |
| Improving Teacher Quality State Grants   | 84.367         | FY 17           | 53,837       |
| Grants for State Assessments   | 84.369         | FY 17           | 18,335       |
| National Endowment for the Arts:   |                |                 |              |
| Iowa Arts Council:   |                |                 |              |
| Promotion of the Arts - Partnership Agreements<br>(Big Yellow School Bus Grant)        | 45.025         | FY 17           | 500          |
| Dallas Center-Grimes Community School District:  |                |                 |              |
| Vocational Education - Basic Grants to States  | 84.048         | FY 17           | 45,559       |
| Heartland Area Education Agency:   |                |                 |              |
| Special Education - Grants to States   | 84.027         | FY 17           | 435,118      |
| Title III - English Language Acquisition State Grants                                  | 84.365         | FY 17           | 7,827        |
| Total  |                |                 | \$ 2,446,748 |

See accompanying independent auditor's report.

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Waukee Community School District under programs of the federal government for the year ended June 30, 2017. 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 Waukee Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Waukee Community School District.

**Note 2. Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles on OMB Circular A-87, *cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the reimbursement. Waukee Community School District has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3. Noncash Assistance**

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$341,006 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, CFDA No. 10.555.





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**Van Maanen, Sietstra, Meyer & Nikkel, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**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 of  
Waukee Community School District:

We have audited, in accordance with U.S. generally accepted auditing standards 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 the Waukee Community School District, as of and for the year ended June 30, 2017, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated ====.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Waukee Community School District's internal control over financial reporting to determine the audit procedures 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 Waukee Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Waukee 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 District'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waukee 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, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2017 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.

Waukeew Community School District's Responses to the Findings

Waukeew Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Waukeew 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 result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Waukeew Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Van Maanen, Sietstra, Meyer & Nikkel PC*

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Van Maanen, Sietstra, Meyer & Nikkel, PC  
Certified Public Accountants

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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133**

To the Board of Education of Waukee Community School District:

Report on Compliance for Each Major Federal Program

We have audited Waukee Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Waukee Community School District's major federal programs for the year ended June 30, 2015. Waukee Community School District's major federal programs are identified in Part I 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 Waukee Community School 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 U.S. generally accepted auditing standards, 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 non-compliance 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 Waukee Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of Waukee Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Waukee Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

The management of Waukee Community School 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 Waukee Community School 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 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 OMB Circular A-133, 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 Waukee Community School 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 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. Given these limitations, during our audit 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Van Maanen, Sietstra, Meyer & Nikkel PC*

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Van Maanen, Sietstra, Meyer & Nikkel, PC  
Certified Public Accountants

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**Part I: Summary of the Independent Auditor's Results**

- (a) Unmodified opinions were issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with the Uniform Guidance, Section 200.515.
- (g) Major programs were as follows:
  - CFDA Number 84.027 - Special Education, Grants to States
  - Clustered programs:
    - CFDA Number 10.553 - School Breakfast Program
    - CFDA Number 10.555 - National School Lunch Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Waukee Community School District qualified as a low-risk auditee.

**Part II: Findings Related to the Financial Statements**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

No matters were noted.

**Part III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

No matters were noted.

**Part IV: Other Findings Related to Required Statutory Reporting:**

- IV-A-17      Certified Budget – District expenditures for the year ended June 30, 2017 did not exceed the amounts budgeted in any of the functional areas.
- IV-B-17      Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-17      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-17      Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-17      Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-17      Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-17      Certified Enrollment - A variance in the basic enrollment data certified to the Department of Education was noted.  
Recommendation - The certified enrollment data should be corrected for students who exit the District.  
Response - We will correct the certified enrollment in the future for students exiting the system.  
Conclusion - Response accepted.
- IV-H-17      Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-17      Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-J-17      Certified Annual Report - The Certified Annual Report was filed timely to the Iowa Department of Education.
- IV-K-17      Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.

Waukee Community School District  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2017

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IV-L-17      Statewide Sales, Services and Use Tax - No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. 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, 2017, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

|                                    |              |                      |
|------------------------------------|--------------|----------------------|
| Beginning balance                  |              | \$ 30,986,525        |
| Revenues/transfers in:             |              |                      |
| Sales tax revenues                 | \$ 9,020,585 |                      |
| Other local revenues               | 162,490      | 9,183,075            |
|                                    |              | <u>40,169,600</u>    |
| Expenditures/transfers out:        |              |                      |
| School infrastructure construction | 3,548,823    |                      |
| Land purchased                     | 805,438      |                      |
| Equipment                          | 1,363,146    |                      |
| Other                              | 873,082      |                      |
| Transfers to other funds:          |              |                      |
| Debt service funds                 | 6,556,712    | 13,147,201           |
|                                    |              | <u>27,022,399</u>    |
| Ending balance                     |              | <u>\$ 27,022,399</u> |

For the year ended June 30, 2017, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

