

Waukee Community School District
Waukee, Iowa

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
WAUKEE COMMUNITY SCHOOL DISTRICT**

Waukee, Iowa

Fiscal Year Ended June 30, 2018

OFFICIAL ISSUING REPORT

Angie Morrison, Chief Financial Officer

OFFICE ISSUING REPORT

Business Office

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District Administration Office
560 SE University Ave, Waukee, IA 50263
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Waukee is a District dedicated to serving all students at high levels. Collectively, all staff members have an unwavering commitment to a quality educational program. This commitment, along with a strong sense of community defines the work of the Board of Education for the Waukee Community School District. In a time of continued funding restrictions and changing financial models, achieving these goals is a significant challenge.

Our shared mission 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 gaps that may exist between our current reality and our vision. The District’s Guiding Principles, Mission and Vision Statements 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 Waukee, we will continue to allocate available resources to fulfill our mission and commitment to students.

This report is a comprehensive financial record of the District for the fiscal year that ended June 30, 2018. It reflects the conditions that have enabled the Waukee 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 successes as a learning community focused on the future.

Respectfully submitted,

A handwritten signature in black ink that reads "C. McDonald". The signature is written in a cursive, flowing style.

Cindi McDonald, Superintendent
Waukee Community Schools



Cindi McDonald
Superintendent
(515) 987-5161
Fax (515) 987-2701
cmcdonald@waukeeschools.org
560 SE University, Waukee, IA 50263

December 3, 2018

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, 2018 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 Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

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, 2016 and 2017. 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, 2016 and 2017.

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 2017-18 was 10,599.62 students. This is an increase of 572.28 over 2016-17. 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 \$3.8 billion for January 2017 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 2018-19	Enrollment for 2019-20	Enrollment for 2020-21
Waukee High School	10-12	1997, 2000, 2001, 2007, 2011	2088	2173	2317
Prairieview	8-9	2003, 2009	769	863	968
Timberline	8-9	2015	758	818	866
Waukee Middle School	6-7	1974, 1977, 1987, 1994, 1999, 2008	893	967	1004
South Middle School	6-7	2010	832	840	889
Brookview Elementary	K-5	2001, 2002	664	686	697
Eason Elementary	K-5	1994, 2002	653	652	629
Grant Ragan Elementary	K-5	2017	811	559	620
Maple Grove Elementary	K-5	2007	674	692	712
Shuler Elementary	K-5	2010	703	715	723
Walnut Hills Elementary	K-5	2005	657	673	665
Waukee Elementary	K-5	2010	759	667	680
Woodland Hills Elementary	K-5	2013	585	640	685
Vince Meyer Learning Center	K-5	2013	0	121	146
Radiant Elementary	K-5	2019	0	357	416

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 24th 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. Apple has broken ground on a 400,000 square foot data center that is set to come online 2020. 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 utilized 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 utilized \$14.7 million in Sales, Services and Use Tax Revenue Bonds and began construction on the 9th Elementary Building in the District. The building has been named Radiant Elementary and will open the fall of 2019. Voters in the District overwhelming approved a \$117 million general obligation bond referendum to construct the second high school slated to open in the fall of 2021. This site is a joint project with the City of Waukee.

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. The District will work with the community to establish boundaries for elementary attendance centers in the fall of 2019 as well as the boundaries and feeder system for the second high school. The District closed on land for the 10th elementary in July of 2018.

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 2018 fiscal year data shows a total outstanding indebtedness on June 30 of \$177,175,000 with a ratio of debt to 100% taxable, actual, assessed valuation of 2.00%. During FY 2018, \$19,290,000 of outstanding debt was paid and an additional \$14,700,000 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 \$177,175,000 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, June 2015 and October 2017. 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, 2018, 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 Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

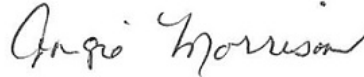
ACKNOWLEDGEMENT

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



Angie Morrison
Chief Financial Officer

**Waukeel Community School District
Board of Education and Board Attorney
Year Ended June 30, 2018**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Susan Bunz	President	2018
Wendy Liskey	Vice President	2021
Ethan Husiman	Board Member	2018
Jerry Ripperger	Board Member	2018
Mary Scheve	Board Member	2018
David Cunningham	Board Member	2021
Lorri Lyon	Board Member	2021
Board Attorney		
Ahlers & Cooney, P.C.	School Attorney	Indefinite

**Waukee Community School District
School District Administration
Year Ended June 30, 2018**

<u>Name</u>	<u>Position</u>
Cynthia McDonald	Superintendent
Terry Hurlburt	Associate Superintendent
Kirk Johnson	Associate Superintendent
Lora Appenzeller-Miller	Chief Financial Officer
Eric Rose	Chief Operations Officer
Peggy Erke	Director of Student Services
Allyn Locker	Director of Teaching & Learning
Lindsay Law	Director of Teaching & Learning
Stacie DeHaan	Director of Instructional Services
Mark Toland	Director of Technology
Keith Elmquist	Director of Operations
Michelle Hill	Director of APEX Waukee Innovation Learning Center
Jeannie Allgood	Director of Nutrition Services
Jeff Longman	Director of Community Education
Tim Bloom	Director of Business Services
Darryl Downs	Director of Information Systems
Cary Justmann	High School Principal
Judi Roland	Associate High School Principal
Gerald Hiesterman	Assistant High School Principal
Nicholas Ross	Assistant High School Principal
James Duea	High School Activities Director
Brady Fleming	Timberline Principal
Nathan Zittergruen	Assistant Timberline Principal
Juley Murphy-Tiernen	Prairieview Principal
Mark Stallman	Assistant Prairieview Principal
Douglas Barry	South Middle School Principal
Clayton Young	Assistant Principal South Middle School
Adam Shockey	Middle School Principal
Susan Anderson	Assistant Middle School Principal
Nicole Johnson	Waukee Elementary Principal
Clint Prohaska	Eason Elementary Principal
Stephanie Angelino	Brookview Elementary Principal
Lyndsay Marron	Walnut Hills Elementary Principal
Kimberly Tierney	Maple Grove Principal
Joel Fey	Shuler Elementary Principal
Scott Shumaker	Woodland Hills Elementary Principal
Matthew Robie	Grant Ragan Elementary Principal

**Waukee Community School District
Consultants, Advisers, and Official Depositories
Year Ended June 30, 2018**

Consultants and Advisors:

Certified Public Accountants:

Van Maanen, Sietstra, Meyer & Nikkel, 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, 2017.

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



Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
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, 2017

Christopher P. Morrill

Executive Director/CEO



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

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, 2018, 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, 2018, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 21 to the financial statements, Waukee Community School District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

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 Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 15 through 22 and 62 through 68 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, 2017, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 9, and 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 December 3, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Waukeee Community School District's internal control over financial reporting and compliance.

Van Maanen, Sietstra, Meyer & Nikkel PC

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

December 3, 2018

**Waukeee Community School District
Management's Discussion and Analysis
Year Ended June 30, 2018**

It is with great pleasure, we present to you the financial picture of Waukeee Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Waukeee Community School District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

2018 Financial Highlights

The District showed a government wide increase in net position of \$23,245,645 during the year ended June 30, 2018.

Governmental activities revenues increased from \$131,686,578 in fiscal year 2017 to \$143,900,387 in 2018. General revenues increased from \$112,764,047 in fiscal year 2017 to \$123,170,615 in 2018. Program revenues increased from \$18,922,531 in 2017 to \$20,729,772 in 2018. The business type activities revenues increased from \$7,863,998 in fiscal year 2017 to \$8,337,760 in 2018.

As of June 30, 2018, unassigned fund balance for the General Fund was \$14,383,567 or 13.88% of General Fund expenditures. The financial solvency ratio for the year ended June 30, 2018 was 13.4%, which is an increase of 3.1% over the previous year. This increase is due to the growth of the district. Revenues rose at a higher rate than expenditures for the year. The District also implemented budget cuts in fiscal year 2017 that continue to improve the position of the District.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Waukeee 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.

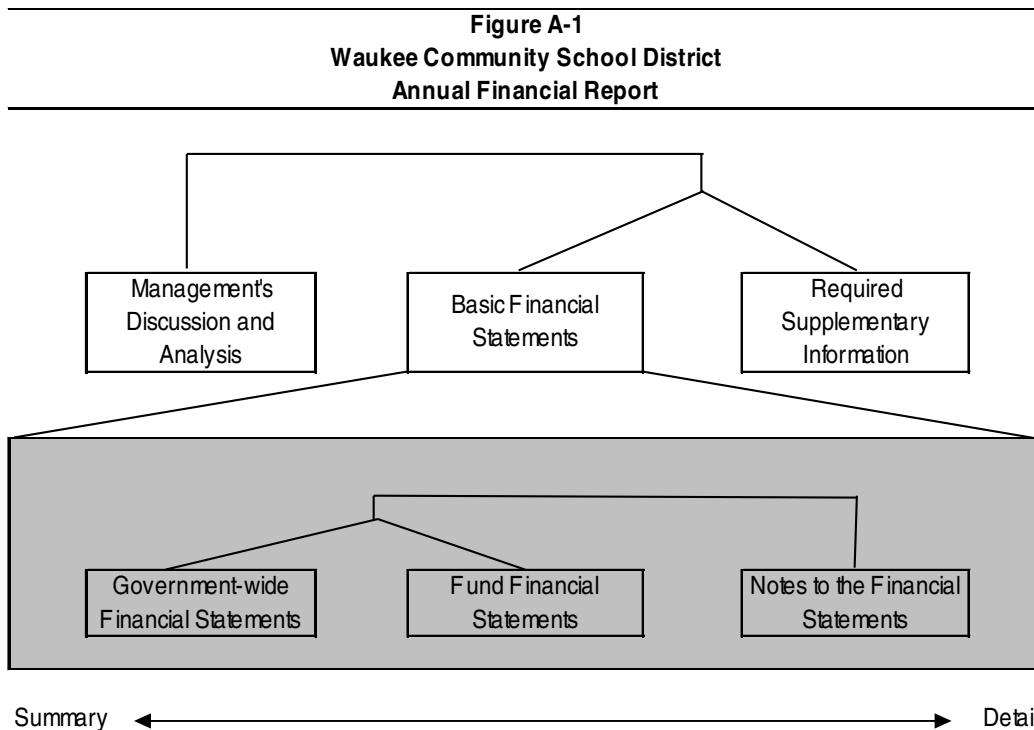


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents 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"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, 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.

**Waukee Community School District
Management's Discussion and Analysis
Year Ended June 30, 2018**

The government-wide financial statements include only Waukee 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 Waukee 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 Waukee 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 28 through 31 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 32 through 34 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 Waukee 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 35 through 36 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 Waukee 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 62 through 68 of this report.

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

**Waukee Community School District
Management's Discussion and Analysis
Year Ended June 30, 2018**

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 \$106,095,365 to \$130,483,701.

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 \$108,911,997. 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, 2018 compared to June 30, 2017.

**Figure A-3
Statement of Net Position**

	Governmental activities		Business type activities		Total		Total Change June 30, 2017-2018
	June 30,		June 30,		June 30,		
	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2018	2017 (Not Restated)	
Current assets	\$ 178,769,660	163,957,101	5,082,164	4,315,721	183,851,824	168,272,822	9.26%
Capital assets, net	255,230,126	243,194,231	1,750,637	2,025,458	256,980,763	245,219,689	4.80%
Total assets	433,999,786	407,151,332	6,832,801	6,341,179	440,832,587	413,492,511	6.61%
Deferred outflows of resources	28,519,232	23,291,648	1,511,444	1,223,107	30,030,676	24,514,755	22.50%
Current liabilities	34,429,224	30,909,838	276,469	347,994	34,705,693	31,257,832	11.03%
Noncurrent liabilities	219,834,909	224,566,949	2,829,019	2,805,663	222,663,928	227,372,612	-2.07%
Total liabilities	254,264,133	255,476,787	3,105,488	3,153,657	257,369,621	258,630,444	-0.49%
Deferred inflow of resources	82,484,344	72,969,895	525,597	311,562	83,009,941	73,281,457	13.28%
Net Position:							
Net investment in capital assets	107,161,360	87,264,199	1,750,637	2,025,458	108,911,997	89,289,657	21.98%
Restricted	34,384,798	35,721,829	-	-	34,384,798	35,721,829	-3.74%
Unrestricted	(15,775,617)	(20,989,730)	2,962,523	2,073,609	(12,813,094)	(18,916,121)	-32.26%
Total Net Position	\$ 125,770,541	101,996,298	4,713,160	4,099,067	130,483,701	106,095,365	22.99%

The restricted portion of the District's net position (27.33%) represents resources that are subject to external restrictions on how they may be used. These restrictions include \$1,227,334 for categorical funding, \$9,719,623 for debt service, \$1,098,174 for management levy purposes, \$612,602 for student activities, \$17,304,225 for school infrastructure and \$4,237,938 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 Waukee 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 \$23,245,645 or 22.99%, during the current fiscal year. The total net investment in capital assets increased 21.98%. The governmental activities net position increased by \$22,705,433. Business type activities net position increased by \$540,212.

**Waukee Community School District
Management's Discussion and Analysis
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Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2018 as compared to the fiscal year ended June 30, 2017. 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,
	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2018	2017 (Not Restated)	2017-2018
Revenues:							
Program revenues:							
Charges for services	\$ 4,179,863	3,489,674	6,720,152	6,324,058	10,900,015	9,813,732	11.07%
Operating grants and contributions	16,549,909	15,432,857	1,592,280	1,528,936	18,142,189	16,961,793	6.96%
General Revenues:							
Property and other taxes	66,687,957	59,674,862	-	-	66,687,957	59,674,862	11.75%
Statewide sales and services tax	9,327,380	9,020,585	-	-	9,327,380	9,020,585	3.40%
Unrestricted state grants	42,860,519	42,605,274	-	-	42,860,519	42,605,274	0.60%
Unrestricted investment earnings	1,126,075	509,334	40,219	11,004	1,166,294	520,338	124.14%
Other	3,168,684	953,992	(14,891)	-	3,153,793	953,992	230.59%
Total revenues	143,900,387	131,686,578	8,337,760	7,863,998	152,238,147	139,550,576	9.09%
Expenses:							
Program expenses:							
Instruction	73,974,865	65,743,252	-	-	73,974,865	65,743,252	12.52%
Support services	35,187,228	33,355,924	268,990	353,231	35,456,218	33,709,155	5.18%
Non-instructional programs	-	-	7,635,177	7,704,728	7,635,177	7,704,728	-0.90%
Other	5,636,586	9,734,542	-	-	5,636,586	9,734,542	-42.10%
Debt service	6,289,656	6,371,623	-	-	6,289,656	6,371,623	-1.29%
Total expenses	121,088,335	115,205,341	7,904,167	8,057,959	128,992,502	123,263,300	4.65%
Changes in Net Position before Transfers	22,812,052	16,481,237	433,593	(193,961)	23,245,645	16,287,276	42.72%
Transfers	(106,619)	(196,730)	106,619	196,730	-	-	0.00%
Changes in Net Position	22,705,433	16,284,507	540,212	2,769	23,245,645	16,287,276	42.72%
Net Position beginning of year, as restated	103,065,108	85,711,791	4,172,948	4,096,298	107,238,056	89,808,089	19.41%
Net Position end of year	\$ 125,770,541	101,996,298	4,713,160	4,099,067	130,483,701	106,095,365	22.99%

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 572 students, or a 5.7% increase over the prior year. This accounts for the increase in revenues and expenses in both governmental activities and business-type activities in instruction and support services. Other expenses were lower due to less construction being completed during the year. Investment earnings increased 124.14% due to increased availability of investment capital for longer periods of time and more favorable interest rates.

**Waukee Community School District
Management's Discussion and Analysis
Year Ended June 30, 2018**

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, 2018 compared to the year ended June 30, 2017. 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 82.88% of total cost of services in 2018.

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

	Total Cost of Services			Net Cost of Services		
	June 30,			June 30,		
	2017			2017		
	2018	(Not Restated)	2017-2018	2018	(Not Restated)	2017-2018
Instruction	\$ 73,974,865	65,743,252	12.52%	58,328,270	51,493,826	13.27%
Support services	35,187,228	33,355,924	5.49%	34,607,773	32,819,520	5.45%
Other	5,636,586	9,734,542	-42.10%	1,132,864	5,597,841	-79.76%
Debt service	6,289,656	6,371,623	-1.29%	6,289,656	6,371,623	-1.29%
	<u>\$ 121,088,335</u>	<u>115,205,341</u>	<u>5.11%</u>	<u>100,358,563</u>	<u>96,282,810</u>	<u>4.23%</u>

Business Type Activities – Revenues for business type activities during the year ended June 30, 2018 were \$8,337,760 representing, an 6.02% increase over the prior year, while expenses totaled \$7,904,137, an 1.9% decrease 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 \$85,214,355, an increase of \$5,902,464 in comparison with the prior year. Approximately 16.88% of this total amount or \$14,383,567 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. Restricted fund balances consist of \$1,227,334 for categorical funding, \$42,422,524 for debt service, \$1,415,474 for management levy purposes, \$612,602 for student activities, \$20,914,916 for school infrastructure and \$4,237,938 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 \$14,383,567, while total fund balance reached \$15,610,901. 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 13.91% of total General Fund expenditures.

The fund balance of the District's General Fund increased \$4,102,902 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 1.1% for 2017-18, 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 \$1,021,837. The majority of the fund balance in Debt Service is set aside in an 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 increased \$1,308,301. The District issued \$14,700,000 in SAVE Bonds which were used to construct Radiant Elementary which will open in FY20.

**Waukee Community School District
Management's Discussion and Analysis
Year Ended June 30, 2018**

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- Original	Budget- Final	Actual	Variance
Instruction	\$ 70,056,633	70,056,633	69,544,902	511,731
Support services	32,998,290	34,562,879	33,483,727	1,079,152
Non-instructional programs	7,765,178	8,029,539	7,635,177	394,362
Other	76,335,254	76,335,254	50,504,155	25,831,099
	<u>\$ 187,155,355</u>	<u>188,984,305</u>	<u>161,167,961</u>	<u>27,816,344</u>

The significant difference of \$25,831,099 in the Other Function area is a result of progress on construction projects was less than projected.

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 \$11,761,074. Construction in progress on Radiant Elementary at June 30 accounts for the majority of the increase.

**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,
	2018	2017	2018	2017	2018	2017	2017-2018
Land	\$ 12,307,312	12,257,312	-	-	12,307,312	12,257,312	0.41%
Improvements other than buildings	5,242,447	3,981,078	-	-	5,242,447	3,981,078	31.68%
Buildings and improvements	218,201,441	222,480,705	-	-	218,201,441	222,480,705	-1.92%
Furniture and equipment	1,925,388	2,004,362	1,750,637	2,025,458	3,676,025	4,029,820	-8.78%
Construction in progress	17,553,538	2,470,774	-	-	17,553,538	2,470,774	610.45%
Total	<u>\$ 255,230,126</u>	<u>243,194,231</u>	<u>1,750,637</u>	<u>2,025,458</u>	<u>256,980,763</u>	<u>245,219,689</u>	<u>4.80%</u>

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

Debt – As of June 30, 2018, the Waukee Community School District had general obligation bonds, capital loan notes and revenue bonds outstanding principal balance totaling \$177,175,000. In the current year, the District paid \$19,290,000 in principal and \$7,252,422 in interest and fiscal fees.

As of June 30, 2018, the District's available debt limit was \$313,604,276 which leaves a legal debt margin of \$205,224,276 once the current year applicable general obligation and capital loan debt is applied. This does not include the Revenue Bonds outstanding in the amount of \$68,795,000.

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

	Total School District		Total Change
	June 30,		June 30,
	2018	2017	2017-2018
General obligation bonds	\$ 97,745,000	109,765,000	-10.95%
Revenue bonds	68,795,000	59,320,000	15.97%
Capital loan notes	10,635,000	12,680,000	-16.13%
Bond discounts, net of amortization	(867,985)	(923,303)	-5.99%
Bond premiums, net of amortization	7,523,789	7,921,351	-5.02%
Early retirement payable	317,300	405,367	-21.73%
Net pension liability	53,246,549	48,438,512	9.93%
Net OPEB liability	2,584,419	6,031,455	-57.15%
Compensated absences	488,669	499,040	-2.08%
Totals	\$ 240,467,741	244,137,422	-1.50%

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 2018 certified student enrollment increased 598 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 over \$3 billion or 99%. For the current fiscal year, taxable assessed value in the District increased \$358,319,051 or 9.00%.

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 \$9.3 million dollars in fiscal 2018. An estimated \$10.2 million dollars is expected to be generated in 2019. 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. The District overwhelmingly passed a \$117 Million general obligation bond issue in February 2018. These funds will be used to build a second high school that is scheduled to open in the fall of 2021.

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 2018 legislature set supplemental state aid for 2018-19 at 1%. 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 hopeful 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 Angie Morrison, Chief Financial Officer, Waukee Community School District, 560 S.E. University Avenue, Waukee, Iowa, 50263.

Basic Financial Statements

Exhibit A
**Waukee Community School District
Statement of Net Position
June 30, 2018**

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Current assets:			
Cash and cash equivalents	\$ 104,773,504	5,005,903	109,779,407
Receivables:			
Property tax:			
Delinquent	131,539	-	131,539
Succeeding year	72,272,062	-	72,272,062
Accounts	36,234	4,936	41,170
Due from other governments	1,556,321	-	1,556,321
Inventories	-	71,325	71,325
Total current assets	178,769,660	5,082,164	183,851,824
Non-current assets:			
Capital assets:			
Land	12,307,312	-	12,307,312
Improvements other than buildings	9,806,588	-	9,806,588
Buildings and improvements	265,217,155	-	265,217,155
Vehicles, furniture and equipment	6,491,359	4,590,938	11,082,297
Construction in progress	17,553,538	-	17,553,538
Accumulated depreciation	(56,145,826)	(2,840,301)	(58,986,127)
Total capital assets	255,230,126	1,750,637	256,980,763
Total non-current assets	255,230,126	1,750,637	256,980,763
Total assets	433,999,786	6,832,801	440,832,587
Deferred outflows of resources			
Pension related deferred outflows	28,519,232	1,511,444	30,030,676
Total deferred outflows of resources	28,519,232	1,511,444	30,030,676
Liabilities			
Current liabilities:			
Accounts payable	3,511,882	49,921	3,561,803
Salaries and benefits payable	11,164,579	44,573	11,209,152
Due to other governments	53,250	-	53,250
Advances from prepaid lunches	-	146,042	146,042
Advances from prepaid tuition	-	3,884	3,884
Advances from grantors	9,112	-	9,112
Deposits payable	4,180	-	4,180
Incurred but not reported claims	1,362,903	-	1,362,903
Accrued interest payable	551,554	-	551,554
Capital loan notes payable	2,287,144	-	2,287,144
Revenue bonds payable	5,449,421	-	5,449,421
General obligation bonds payable	9,502,179	-	9,502,179
Early retirement payable	76,400	-	76,400
Compensated absences	456,620	32,049	488,669
Total current liabilities	34,429,224	276,469	34,705,693

Continued from previous page

Noncurrent liabilities:

Exhibit A**Waukee Community School District
Statement of Net Position
June 30, 2018**

	Governmental Activities	Business Type Activities	Total Primary Government
Capital loan notes payable	9,415,480	-	9,415,480
Revenue bonds payable	65,310,984	-	65,310,984
General obligation bonds payable	91,865,596	-	91,865,596
Early retirement payable	240,900	-	240,900
Net pension liability	50,584,626	2,661,923	53,246,549
Net OPEB liability	2,417,323	167,096	2,584,419
Total noncurrent liabilities	219,834,909	2,829,019	222,663,928
Total liabilities	254,264,133	3,105,488	257,369,621
Deferred inflows of resources			
Unavailable property tax revenue	72,272,062	-	72,272,062
Pension related deferred inflows	10,163,127	522,199	10,685,326
OPEB related deferred inflows	49,155	3,398	52,553
Total deferred inflows of resources	82,484,344	525,597	83,009,941
Net position			
Net investment in capital assets	107,161,360	1,750,637	108,911,997
Restricted for:			
Categorical funding	1,227,334	-	1,227,334
Management levy purposes	1,098,174	-	1,098,174
Internal service	184,902	-	184,902
Physical plant and equipment levy	4,237,938	-	4,237,938
Student activities	612,602	-	612,602
School infrastructure	17,304,225	-	17,304,225
Debt service	9,719,623	-	9,719,623
Unrestricted	(15,775,617)	2,962,523	(12,813,094)
Total net position	\$ 125,770,541	4,713,160	130,483,701

See notes to financial statements.

Exhibit B

Waukee Community School District
Statement of Activities
Year ended June 30, 2018

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
Governmental activities:						
Instruction:						
Regular	\$ 51,520,339	2,187,086	10,079,366	(39,253,887)	-	(39,253,887)
Special	13,003,288	324,054	1,609,247	(11,069,987)	-	(11,069,987)
Other	9,451,238	1,376,111	70,731	(8,004,396)	-	(8,004,396)
	<u>73,974,865</u>	<u>3,887,251</u>	<u>11,759,344</u>	<u>(58,328,270)</u>	<u>-</u>	<u>(58,328,270)</u>
Support services:						
Student	3,913,354	-	-	(3,913,354)	-	(3,913,354)
Instructional staff	10,024,978	-	-	(10,024,978)	-	(10,024,978)
Administration	8,147,692	-	-	(8,147,692)	-	(8,147,692)
Operation and maintenance of plant	8,612,776	209,314	-	(8,403,462)	-	(8,403,462)
Transportation	4,488,428	83,298	286,843	(4,118,287)	-	(4,118,287)
	<u>35,187,228</u>	<u>292,612</u>	<u>286,843</u>	<u>(34,607,773)</u>	<u>-</u>	<u>(34,607,773)</u>
Other expenses:						
Facilities acquisition	907,726	-	-	(907,726)	-	(907,726)
Interest (unallocated)	6,289,656	-	-	(6,289,656)	-	(6,289,656)
AEA flowthrough	4,503,722	-	4,503,722	-	-	-
Depreciation (unallocated) *	225,138	-	-	(225,138)	-	(225,138)
	<u>11,926,242</u>	<u>-</u>	<u>4,503,722</u>	<u>(7,422,520)</u>	<u>-</u>	<u>(7,422,520)</u>
Total governmental activities	121,088,335	4,179,863	16,549,909	(100,358,563)	-	(100,358,563)
Business type activities:						
Support services:						
Administration	213,907	-	-	-	(213,907)	(213,907)
Transportation	55,083	-	-	-	(55,083)	(55,083)
	<u>268,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(268,990)</u>	<u>(268,990)</u>
Non-instructional programs:						
Food service operations	5,215,031	3,968,580	1,592,280	-	345,829	345,829
Community education operations	2,420,146	2,751,572	-	-	331,426	331,426
	<u>7,635,177</u>	<u>6,720,152</u>	<u>1,592,280</u>	<u>-</u>	<u>677,255</u>	<u>677,255</u>
Total business type activities	7,904,167	6,720,152	1,592,280	-	408,265	408,265
Total primary government	<u>\$ 128,992,502</u>	<u>10,900,015</u>	<u>18,142,189</u>	<u>(100,358,563)</u>	<u>408,265</u>	<u>(99,950,298)</u>

Exhibit B

**Waukee Community School District
Statement of Activities
Year ended June 30, 2018**

	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
Totals continued from previous page	<u>\$ 128,992,502</u>	<u>10,900,015</u>	<u>18,142,189</u>	<u>\$ (100,358,563)</u>	<u>408,265</u>	<u>(99,950,298)</u>
General Revenues:						
Property tax levied for:						
General purposes				43,387,601	-	43,387,601
Debt service				16,497,625	-	16,497,625
Capital outlay				6,802,731	-	6,802,731
Statewide sales, services and use tax (+)				9,327,380	-	9,327,380
Unrestricted state grants				42,860,519	-	42,860,519
Grants and contributions not restricted to specific programs				522,151	-	522,151
Unrestricted investment earnings				1,126,075	40,219	1,166,294
Loss on the disposal of capital assets				-	(14,891)	(14,891)
Other				2,646,533	-	2,646,533
Total general revenues				<u>123,170,615</u>	<u>25,328</u>	<u>123,195,943</u>
Change in net position before transfers				<u>22,812,052</u>	<u>433,593</u>	<u>23,245,645</u>
Transfers:						
Transfers				(106,619)	106,619	-
Total transfers				<u>(106,619)</u>	<u>106,619</u>	<u>-</u>
Change in net position				<u>22,705,433</u>	<u>540,212</u>	<u>23,245,645</u>
Net position beginning of year, as restated				<u>103,065,108</u>	<u>4,172,948</u>	<u>107,238,056</u>
Net position end of year				<u>\$ 125,770,541</u>	<u>4,713,160</u>	<u>130,483,701</u>

* 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.

Exhibit C

**Waukee Community School District
Balance Sheet
Governmental Funds
June 30, 2018**

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
Assets					
Cash, cash equivalents and pooled investments	\$ 27,486,756	34,789,412	33,921,767	2,035,329	98,233,264
Receivables:					
Property tax:					
Delinquent	85,693	31,606	13,032	1,208	131,539
Succeeding year	46,215,811	17,952,717	7,403,530	700,004	72,272,062
Accounts	16,333	-	-	19,901	36,234
Due from other governments	764,920	106	791,289	6	1,556,321
Total assets	\$ 74,569,513	52,773,841	42,129,618	2,756,448	172,229,420
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,520,306	-	1,971,834	19,742	3,511,882
Salaries and benefits payable	11,160,133	-	-	4,446	11,164,579
Due to other governments	53,250	-	-	-	53,250
Deposits payable	-	-	-	4,180	4,180
Advances from grantors	9,112	-	-	-	9,112
Total liabilities	12,742,801	-	1,971,834	28,368	14,743,003
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	46,215,811	17,952,717	7,403,530	700,004	72,272,062
Total deferred inflows of resources	46,215,811	17,952,717	7,403,530	700,004	72,272,062
Fund balances:					
Restricted for:					
Categorical funding	1,227,334	-	-	-	1,227,334
Debt service	-	34,821,124	7,601,400	-	42,422,524
Mangement levy purposes	-	-	-	1,415,474	1,415,474
Student activities	-	-	-	612,602	612,602
School infrastructure	-	-	20,914,916	-	20,914,916
Physical plant and equipment	-	-	4,237,938	-	4,237,938
Unassigned	14,383,567	-	-	-	14,383,567
Total fund balances	15,610,901	34,821,124	32,754,254	2,028,076	85,214,355
Total liabilities, deferred inflows of resources and fund balances	\$ 74,569,513	52,773,841	42,129,618	2,756,448	172,229,420

See notes to financial statements.

Exhibit D
**Waukee Community School District
 Reconciliation of the Balance Sheet
 Governmental Funds To the Statement of Net Position
 June 30, 2018**

Total fund balances of governmental funds (Exhibit C) \$ 85,214,355

***Amounts reported for governmental activities in the
 Statement of Net Position are different because:***

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 255,230,126

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. 5,177,337

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. (551,554)

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 28,519,232	
Deferred inflows of resources	(10,212,282)	18,306,950

Long-term liabilities, including bonds and notes payable, bond discounts and premiums, 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	\$ (10,635,000)	
Revenue bonds payable	(68,795,000)	
General obligation bonds payable	(97,745,000)	
Bond discounts	867,985	
Bond premiums	(7,523,789)	
Early retirement	(317,300)	
Compensated absences	(456,620)	
Net pension liability	(50,584,626)	
Other post employment benefits	(2,417,323)	(237,606,673)

Net position of governmental activities (Exhibit A) \$ 125,770,541

See notes to financial statements.

Exhibit E

Waukee Community School District
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year ended June 30, 2018

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
Revenues:					
Local sources:					
Local tax	\$ 42,787,776	16,497,625	6,802,731	599,825	66,687,957
Tuition	2,001,613	-	-	-	2,001,613
Other	1,836,097	357,478	474,511	1,457,427	4,125,513
State sources	58,935,872	557,908	9,557,431	21,731	69,072,942
Federal sources	2,012,362	-	-	-	2,012,362
Total revenues	107,573,720	17,413,011	16,834,673	2,078,983	143,900,387
Expenditures:					
Current:					
Instruction:					
Regular	48,010,231	-	95,290	394,232	48,499,753
Special	12,255,630	-	-	-	12,255,630
Other	7,483,359	-	-	1,306,160	8,789,519
	67,749,220	-	95,290	1,700,392	69,544,902
Support services:					
Student	3,689,458	-	-	-	3,689,458
Instructional staff	8,295,981	-	1,045,517	-	9,341,498
Administration	6,884,791	12,560	91,201	625,070	7,613,622
Operation and maintenance of plant	7,778,162	-	45,035	311,072	8,134,269
Transportation	4,435,890	-	-	-	4,435,890
	31,084,282	12,560	1,181,753	936,142	33,214,737
Capital outlay:					
Facilities acquisition	-	-	19,376,129	-	19,376,129
Debt service:					
Principal	-	19,290,000	-	-	19,290,000
Debt issuance costs	-	-	81,882	-	81,882
Interest and fiscal charges	-	7,252,422	-	-	7,252,422
	-	26,542,422	81,882	-	26,624,304
Intergovernmental:					
Other expenditures	4,503,722	-	-	-	4,503,722
Total expenditures	103,337,224	26,554,982	20,735,054	2,636,534	153,263,794
Excess (deficiency) of revenues over (under) expenditures	4,236,496	(9,141,971)	(3,900,381)	(557,551)	(9,363,407)
Other financing sources (uses):					
Issuance of revenue bonds	-	-	14,700,000	-	14,700,000
Premium on the issuance of debt	-	-	713,549	-	713,549
Discount on the issuance of debt	-	-	(41,059)	-	(41,059)
Transfers in	117,976	10,163,808	20,985	26,975	10,329,744
Transfers out	(251,570)	-	(10,184,793)	-	(10,436,363)
Total other financing sources (uses)	(133,594)	10,163,808	5,208,682	26,975	15,265,871
Net change in fund balances	4,102,902	1,021,837	1,308,301	(530,576)	5,902,464
Fund balances beginning of year	11,507,999	33,799,287	31,445,953	2,558,652	79,311,891
Fund balances end of year	\$ 15,610,901	34,821,124	32,754,254	2,028,076	85,214,355

See notes to financial statements.

Exhibit F

**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, 2018**

Net change in fund balances - total governmental funds (Exhibit E) \$ 5,902,464

***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 of the capital assets 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	\$ 18,468,403	
Depreciation expense	<u>(6,432,508)</u>	12,035,895

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	(14,700,000)	
Premium on the issuance of debt	(713,549)	
Discount on the issuance of debt	41,059	
Repayments of bond and note principal	19,290,000	
Amortization of premiums and discounts	<u>1,014,734</u>	4,932,244

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. 29,914

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. 5,467,181

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	88,067	
Compensated absences	12,220	
Pension expense	(8,703,856)	
OPEB expense	<u>2,106,202</u>	(6,497,367)

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. 835,102

Change in net position of governmental activities (Exhibit B) \$ 22,705,433

See notes to financial statements.

Exhibit G
**Waukee Community School District
Statement of Net Position
Proprietary Funds
June 30, 2018**

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,005,903	6,540,240
Receivables:		
Accounts	4,936	-
Inventories	71,325	-
Total current assets	<u>5,082,164</u>	<u>6,540,240</u>
Non-current assets:		
Capital assets:		
Equipment	4,590,938	-
Accumulated depreciation	(2,840,301)	-
Total noncurrent assets	<u>1,750,637</u>	<u>-</u>
Total assets	<u>6,832,801</u>	<u>6,540,240</u>
Deferred Outflows of Resources		
Pension related deferred outflows	<u>1,511,444</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	49,921	-
Salaries and benefits payable	44,573	-
Compensated absences	32,049	-
Incurred but not reported claims	-	1,362,903
Advances from prepaid lunches	146,042	-
Advances from prepaid tuition	3,884	-
Total current liabilities	<u>276,469</u>	<u>1,362,903</u>
Noncurrent liabilities:		
Net pension liability	2,661,923	-
Net OPEB liability	167,096	-
Total noncurrent liabilities	<u>2,829,019</u>	<u>-</u>
Total liabilities	<u>3,105,488</u>	<u>1,362,903</u>
Deferred Inflows of Resources		
Pension related deferred inflows	522,199	-
OPEB related deferred inflows	3,398	-
	<u>525,597</u>	<u>-</u>
Net Position		
Investment in capital assets	1,750,637	-
Unrestricted	2,962,523	5,177,337
Total net position	<u>\$ 4,713,160</u>	<u>5,177,337</u>

See notes to financial statements.

Exhibit H
Waukee Community School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2018

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Funds
Operating revenue:		
Local sources:		
Charges for services	\$ 6,720,152	9,425,159
Operating expenses:		
Support services:		
Administration services	213,907	8,653,320
Transportation services	55,083	-
	<u>268,990</u>	<u>8,653,320</u>
Non-instructional programs:		
Food service operations:		
Depreciation	324,830	-
Other	4,890,201	-
	<u>5,215,031</u>	<u>-</u>
Other enterprise operations:		
Depreciation	13,970	-
Other	2,406,176	-
	<u>2,420,146</u>	<u>-</u>
Total operating expenses	<u>7,904,167</u>	<u>8,653,320</u>
Operating income (loss)	<u>(1,184,015)</u>	<u>771,839</u>
Non-operating revenues:		
Interest on investments	40,219	63,263
Loss on disposal of capital assets	(14,891)	-
State sources	34,758	-
Federal sources	1,557,522	-
Total non-operating revenues	<u>1,617,608</u>	<u>63,263</u>
Income (loss) before transfers	433,593	835,102
Transfers:		
Transfers in	224,595	-
Transfers out	(117,976)	-
Total transfers	<u>106,619</u>	<u>-</u>
Change in net position	540,212	835,102
Net position beginning of year, as restated	<u>4,172,948</u>	<u>4,342,235</u>
Net position end of year	<u>\$ 4,713,160</u>	<u>5,177,337</u>

See notes to financial statements.

Exhibit I

**Waukee Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2018**

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 3,960,943	-
Cash received from miscellaneous operating activities	2,773,383	9,425,159
Cash payments to employees for services	(4,639,658)	(7,995,547)
Cash payments to suppliers for goods or services	(2,684,425)	(4,956)
Net cash provided (used) by operating activities	<u>(589,757)</u>	<u>1,424,656</u>
Cash flows from non-capital financing activities:		
Transfers in	224,595	-
Transfers out	(117,976)	-
State grants received	35,238	-
Federal grants received	1,246,852	-
Net cash provided by non-capital financing activities	<u>1,388,709</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(78,869)	-
Net cash used by capital and related financing activities	<u>(78,869)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	40,219	63,263
Net increase in cash and cash equivalents	760,302	1,487,919
Cash and cash equivalents at beginning of year	4,245,601	5,052,321
Cash and cash equivalents at end of year	<u>\$ 5,005,903</u>	<u>6,540,240</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (1,184,015)	771,839
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Commodities used	315,529	-
Depreciation	338,800	-
Decrease in accounts receivable	(4,768)	-
Decrease in inventories	(6,713)	-
Increase (decrease) in accounts payable	(25,382)	-
Increase in salaries and benefits payable	(66,934)	-
Increase in incurred but not reported claims	-	652,817
Increase in unearned revenue	18,942	-
Increase in compensated absences payable	1,849	-
Increase in other post employment benefits	(148,988)	-
Increase in net pension liability	246,225	-
Increase in deferred outflows of resources	(288,337)	-
Decrease in deferred inflows of resources	214,035	-
Net cash provided (used) by operating activities	<u>\$ (589,757)</u>	<u>1,424,656</u>
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:		
Current assets:		
Cash and investments	\$ 5,005,903	6,540,240
Cash and cash equivalents at year end	<u>\$ 5,005,903</u>	<u>6,540,240</u>
Non-cash investing, capital and financing activities:		
Noncapital financing activities, commodities received from the US Department of Agriculture	\$ 315,529	-

See notes to financial statements.

Exhibit J

**Waukee Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018**

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Assets	
Cash and pooled investments	\$ 205,556
Total assets	<u>205,556</u>
Liabilities	
Accounts payable	<u>2,000</u>
Total liabilities	<u>2,000</u>
Net position	
Assets held in trust for scholarships	<u>\$ 203,556</u>

See notes to financial statements.

Exhibit K

**Waukee Community School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2018**

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Additions:	
Local sources:	
Interest	\$ 4,313
Contributions	20
Total additions	<u>4,333</u>
Deductions:	
Instruction:	
Scholarships awarded	<u>11,309</u>
Total deductions	<u>11,309</u>
Change in net position	(6,976)
Net position beginning of year	<u>210,532</u>
Net position end of year	<u>\$ 203,556</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 career and technical 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. Enabling legislation did not result in any restricted net position.

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

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

a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the 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 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.

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.

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

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 the cash 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 Balance/Net Position

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, 2016 assessed property valuations; is for the tax accrual period July 1, 2017 through June 30, 2018 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2017.

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.

Waukee Community School District
Notes to Financial Statements
June 30, 2018

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

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 if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. 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 applicable to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments 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, 2018. 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. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

Total OPEB Liability - For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the Waukee Community School District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current 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 unrecognized items not yet charged to pension and OPEB expense.

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

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

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are 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 the preceding 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.

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

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) Cash, Cash Equivalents and Pooled Investments

As of June 30, 2018, the carrying amount of the District's bank deposits and pooled investments totaled \$109,779,407 with actual bank balances of \$6,445,240 and investment balances of \$103,334,167. Of the bank balances, \$500,000 was covered by federal depository insurance and \$5,945,240 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.

Waukee Community School District
Notes to Financial Statements
June 30, 2018

(3) *Cash, Cash Equivalents 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 Iowa 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, 2018, the District had investments in the following:

Type	Amortized Cost/Fair Value
TELF	\$ 19,717,296
ISJIT	50,200,605
US Treasury Note	33,217,217
Money Market Mutual Fund	977
Non-negotiable Certificates of Deposit	198,072
	\$ 103,334,167

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, 2018, 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, 2018, \$103,334,167 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.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Waukee Community School District
Notes to Financial Statements
June 30, 2018

(4) Transfers

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

	Transfers In					
	Governmental Activities			Total Governmental Activities	Business type Activities	
	Debt Service	Capital Projects	Nonmajor		Nonmajor Enterprise	Total
Transfers Out:						
Governmental Activities:						
General	\$ -	-	26,975	26,975	224,595	251,570
Capital Projects	10,163,808	20,985	-	10,184,793	-	10,184,793
Business type Activities:						
Nonmajor Enterprise	-	-	-	117,976	(117,976)	-
Total	\$ 10,163,808	20,985	26,975	10,329,744	106,619	10,436,363

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, 2018 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,257,312	50,000	-	12,307,312
Construction in progress	2,470,774	15,733,529	650,765	17,553,538
Total capital assets not being depreciated	14,728,086	15,783,529	650,765	29,860,850
Capital assets being depreciated:				
Buildings	264,217,155	1,000,000	-	265,217,155
Improvements other than buildings	8,137,036	1,669,552	-	9,806,588
Furniture and equipment	5,825,272	666,087	-	6,491,359
Total capital assets being depreciated	278,179,463	3,335,639	-	281,515,102
Less accumulated depreciation for:				
Buildings	41,736,450	5,279,264	-	47,015,714
Improvements other than buildings	4,155,958	408,183	-	4,564,141
Furniture and equipment	3,820,910	745,061	-	4,565,971
Total accumulated depreciation	49,713,318	6,432,508	-	56,145,826
Total capital assets being depreciated, net	228,466,145	(3,096,869)	-	225,369,276
Governmental activities capital assets, net	\$ 243,194,231	12,686,660	650,765	255,230,126

Waukee Community School District
Notes to Financial Statements
June 30, 2018

(5) *Capital Assets (continued from previous page)*

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Business type activities:				
Furniture and equipment	\$ 4,588,286	78,869	76,217	4,590,938
Less accumulated depreciation	2,562,828	338,800	61,326	2,840,302
Business-type activities capital assets, net	<u>\$ 2,025,458</u>	<u>(259,931)</u>	<u>14,891</u>	<u>1,750,636</u>

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 3,035,969
Special	767,173
Other	550,203

Support services:

Student services	230,951
Instructional staff services	584,755
Administration	476,595
Operation and maintenance of plant	509,186
Transportation	52,538
	<u>6,207,370</u>

Unallocated	225,138
Total depreciation expense - governmental activities	<u>\$ 6,432,508</u>

Business type activities:

Food services	\$ 324,830
Community education	13,970
	<u>\$ 338,800</u>

(6) **Long-Term Liabilities**

Changes in long-term liabilities for the year ended June 30, 2018 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 109,765,000	-	12,020,000	97,745,000	8,865,000
Premiums on general obligation bonds	4,488,866	-	670,314	3,818,552	670,313
Discounts on general obligation bonds	(228,911)	-	(33,134)	(195,777)	(33,134)
Subtotal general obligation bonds	<u>114,024,955</u>	<u>-</u>	<u>12,657,180</u>	<u>101,367,775</u>	<u>9,502,179</u>
Revenue bonds	59,320,000	14,700,000	5,225,000	68,795,000	5,275,000
Premiums on revenue bonds	2,119,155	713,549	218,826	2,613,878	233,692
Discounts on revenue bonds	(665,829)	(41,059)	(58,415)	(648,473)	(59,271)
Subtotal revenue bonds	<u>60,773,326</u>	<u>15,372,490</u>	<u>5,385,411</u>	<u>70,760,405</u>	<u>5,449,421</u>
Capital loan notes	12,680,000	-	2,045,000	10,635,000	2,070,000
Premiums on capital loan notes	1,313,330	-	221,971	1,091,359	221,971
Discounts on capital loan notes	(28,563)	-	(4,828)	(23,735)	(4,827)
Subtotal capital loan notes	<u>13,964,767</u>	<u>-</u>	<u>2,262,143</u>	<u>11,702,624</u>	<u>2,287,144</u>
Early retirement	405,367	-	88,067	317,300	76,400
Net pension liability	46,022,814	4,561,812	-	50,584,626	-
Net OPEB liability, as restated	4,572,680	-	2,155,357	2,417,323	-
Compensated absences	468,840	456,620	468,840	456,620	456,620
Subtotal governmental activities	<u>240,232,749</u>	<u>20,390,922</u>	<u>23,016,998</u>	<u>237,606,673</u>	<u>17,771,764</u>

**Waukee Community School District
Notes to Financial Statements
June 30, 2018**

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

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Business type activities:					
Net pension liability	\$ 2,415,698	246,225	-	2,661,923	-
Net OPEB liability, as restated	316,084	-	148,988	167,096	-
Compensated absences	30,200	32,049	30,200	32,049	32,049
Subtotal business type activities	2,761,982	278,274	179,188	2,861,068	32,049
Total	\$ 242,994,731	20,669,196	23,196,186	240,467,741	17,778,813

Capital Loan Notes Payable

The district issued \$13,655,000 on May 24, 2016 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, 2018 capital loan note indebtedness are as follows:

Year Ending June 30,	May 24, 2016 Issue			
	Interest Rates	Principal	Interest	Total
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
		\$ 10,635,000	1,195,550	11,830,550

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, 2018 revenue bond indebtedness is as follows:

Year Ending June 30,	June 19, 2012 Refunding Bond Issue			July 10, 2013 Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
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	3.00%	1,080,000	327,600	3.00%	1,125,000	309,475
2024-2028	4.00%	6,030,000	1,011,600	3.25-4.00%	6,200,000	976,375
2029	4.00%	1,350,000	54,000	4.00%	1,370,000	54,800
Total		\$ 12,475,000	3,008,700		\$ 12,910,000	2,888,500

Waukee Community School District
Notes to Financial Statements
June 30, 2018

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

Year Ending June 30,	April 1, 2014 Issue			June 9, 2015 Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
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	3.00%	1,135,000	307,956	3.00%	1,500,000	350,575
2024-2028	3.00-4.00%	6,430,000	960,381	3.00-3.125%	8,025,000	1,056,469
2029	3.625%	1,465,000	53,106	3.375%	1,735,000	58,556
Total		\$ 13,200,000	3,082,767		\$ 16,670,000	3,281,850

Year Ending June 30,	2017A Issue			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2019	3.00%	\$ 1,055,000	410,825	\$ 5,275,000	2,325,581	7,600,581
2020	3.00%	1,080,000	379,175	5,465,000	2,132,681	7,597,681
2021	3.00%	1,110,000	346,775	5,635,000	1,961,531	7,596,531
2022	3.00%	1,150,000	313,475	5,830,000	1,771,381	7,601,381
2023	3.00%	1,185,000	278,975	6,025,000	1,574,581	7,599,581
2024-2028	3.00-4.00%	6,535,000	776,575	33,220,000	4,781,400	38,001,400
2029	2.50%	1,425,000	35,625	7,345,000	256,087	7,601,087
Total		\$ 13,540,000	2,541,425	\$ 68,795,000	14,803,242	83,598,242

The District has pledged future statewide sales, services and use tax revenues to repay the \$68,795,000 bonds issued June 19, 2012, July 10, 2013, April 1, 2014, June 9, 2015, and 2017A Issue. 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 \$83,598,242. For the current year, principal of \$5,225,000 and interest of \$2,344,058 was paid on the bonds and total statewide sales and services tax revenues were \$9,327,380.

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

- a) \$7,601,400 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, 2018.

**Waukee Community School District
Notes to Financial Statements
June 30, 2018**

(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.

In-Substance Defeasance

On April 27, 2017, equity from the District was used to advance refund \$1,665,000 of outstanding general obligation bonds dated April 1, 2008, and \$1,130,000 of outstanding general obligation bonds dated July 23, 2009. \$2,776,054 has been placed in an irrevocable escrow account and has been invested in U.S. Government Obligations which have been certified to be sufficient to pay all principal and interest due on the aforementioned bonds. During the year ended June 30, 2018 these bonds were paid in full by the District. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$3,493,493.

Details of the District's June 30, 2018 general obligation bonded indebtedness are as follows:

Year Ending June 30,	May 1, 2009 Issue		
	Interest Rates	Principal	Interest
2019	4.00%	1,560,000	1,720,181
2020	4.00%	1,560,000	1,449,031
2021	4.00%	1,625,000	1,386,631
2022	4.00%	1,690,000	1,321,632
2023	4.00%	1,765,000	4,846,657
2024-2027	4.125%-5.0%	21,720,000	155,250
2028	5.00%	3,105,000	
Total		<u>\$ 33,025,000</u>	<u>10,879,382</u>

Year Ending June 30,	April 1, 2010 Refunding Bond Issue			July 13, 2011 Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
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	3.50%	2,020,000	70,700	3.00%	925,000	57,510
2024-2027		-	-	3.10%	960,000	29,760
2028		-	-		-	-
Total		<u>\$ 10,540,000</u>	<u>1,141,325</u>		<u>\$ 5,270,000</u>	<u>537,720</u>

**Waukee Community School District
Notes to Financial Statements
June 30, 2018**

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

Year Ending June 30,	June 5, 2012 Refunding Bond Issue			July 24, 2014 Refunding Bond Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
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	3.00%	1,550,000	155,850	-	-	-
2024-2027	3.00%	3,645,000	109,350	-	-	-
2028	-	-	-	-	-	-
Total		\$ 7,630,000	1,128,150		\$ 1,235,000	24,700

Year Ending June 30,	August 13, 2014 Issue			March 24, 2015 Refunding Bond Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2019	5.00%	\$ 3,120,000	413,750	4.00%	\$ 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	-	-	-	-	-	-
2024-2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
Total		\$ 8,275,000	964,250		\$ 855,000	17,100

Year Ending June 30,	October 4, 2016 Refunding Bond Issue			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2019	5.00%	\$ -	945,300	\$ 8,865,000	3,848,561	12,713,561
2020	5.00%	1,540,000	945,300	7,995,000	3,323,201	11,318,201
2021	5.00%	1,620,000	868,300	9,390,000	3,010,396	12,400,396
2022	5.00%	1,705,000	787,300	9,755,000	2,631,592	12,386,592
2023	5.00%	1,795,000	702,050	8,055,000	5,832,767	13,887,767
2024-2027	2.25-5.00%	21,575,000	1,651,300	47,900,000	1,945,660	49,845,660
2028	2.25%	2,680,000	60,300	5,785,000	60,300	5,845,300
Total		\$ 30,915,000	5,959,850	\$ 97,745,000	20,652,477	118,397,477

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.

Waukee Community School District
Notes to Financial Statements
June 30, 2018

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

At June 30, 2018, the District has obligations to 20 participants with a total liability of \$317,300. Actual early retirement expenditures for the year ended June 30, 2018 totaled \$88,067. 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, 2018, \$31,465,000 of such bonds are outstanding. Principal of \$0 and interest of \$1,622,401 was paid on the bond during the fiscal year ended June 30, 2018. 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, 2018, 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, 2018 were \$16,559.

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

Year ending June 30,	SUV Lease	Truck Lease	Truck Lease	Total Leases
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
	<u>\$ 6,188</u>	<u>12,331</u>	<u>18,438</u>	<u>30,769</u>

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

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2018 were \$5,762,273.

Waukee Community School District
Notes to Financial Statements
June 30, 2018

(9) Pension Plan (Continued)

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2018, the District reported a liability of \$53,246,549 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2017, the District's collective proportion was 0.806559%, which was an increase of 0.029834% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$9,167,473. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 488,854	461,341
Changes of assumptions	9,251,795	-
Net difference between projected and actual earnings on IPERS' investments	9,667,843	10,223,984
Changes in proportion and differences between District contributions and proportionate share of contributions	4,859,911	-
District contributions subsequent to the measurement date	5,762,273	-
Total	\$ 30,030,676	10,685,325

\$5,762,273 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2019	\$ 3,094,891
2020	5,600,034
2021	3,416,358
2022	752,660
2023	719,135
Total	<u>\$ 13,583,078</u>

There were no non-employer contributing entities to IPERS.

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

**Waukee Community School District
Notes to Financial Statements
June 30, 2018**

(9) *Pension Plan (Continued)*

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

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

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	24.0%	6.25%
International equity	16.0	6.71
Core plus fixed income	27.0	2.25
Public credit	3.5	3.46
Public real assets	7.0	3.27
Cash	1.0	(0.31)
Private equity	11.0	11.15
Private real assets	7.5	4.18
Private credit	3.0	4.25
Total	<u>100%</u>	

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 employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability. 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 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
District's proportionate share of the net pension liability	\$ 87,728,952	53,246,549	24,274,706

IPERS' Fiduciary Net Position - Detailed information about the IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS - At June 30, 2018, the District reported payables to IPERS of \$480,645 for legally required District contributions and \$320,251 for legally required employee contributions withheld from employee which had not yet remitted to IPERS.

(10) Other Post-Employment Benefits (OPEB)

Plan Description - The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits for employees are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75.

OPEB Benefits – Individuals who are employed by Waukee Community School District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Active employees	1,217
	1,240

Total OPEB Liability – The District’s total OPEB liability of \$2,584,419 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation (effective June 30, 2018)	2.50% per annum.
Rates of salary increase (effective June 30, 2018)	3.50% per annum including inflation
Discount rate (effective June 30, 2018)	3.87% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2018)	7.00% initial rate decreasing by 0.50% annually to an ultimate rate of 4.50%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.87% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RPH-2014 total dataset mortality table fully generational using Scale MP-2014. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year, as restated	\$ 2,336,556
Changes for the year:	
Service cost	291,253
Interest	196,906
Differences between expected and actual experiences	-
Changes in assumptions	(56,026)
Benefit payments	(184,270)
	247,863
	\$ 2,584,419

**Waukee Community School District
Notes to Financial Statements
June 30, 2018**

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

Changes of assumptions reflect a change in the discount rate from 3.58% in fiscal year 2017 to 3.87% in fiscal year 2018.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current discount rate.

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 2,761,000	2,584,419	2,407,000

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District as what the District's total liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates.

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB liability	\$ 2,216,000	2,584,419	2,957,000

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2018, the District recognized OPEB expense of \$445,526. At June 30, 2018, the District reported deferred inflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -
Changes in assumptions	52,553
Total	<u>\$ 52,553</u>

The amount reported as deferred inflows of resources related to OPEB will be recognized as an offset to OPEB expense as follows:

Year ending June 30,	Amount
2019	\$ (3,473)
2020	(3,473)
2021	(3,473)
2022	(3,473)
2023	(3,473)
Thereafter	(35,188)
	<u>\$ (52,553)</u>

(11) Risk Management

Waukee 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, 2018, there were no significant reductions in coverage.

During the 2017-18 year, the District paid a settlement to a former employee from the management fund. This District worked through legal counsel and their insurance company to arrive at the settlement agreement. The District paid \$593,120 in excess of the amount covered under their commercial insurance policy.

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, 2018.

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

	2018	2017
Unpaid claims at beginning of year	\$ -	-
Incurred claims	710,086	521,168
Payment	710,086	521,168
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 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. The plan receives an annual actuarial opinion and an annual report is filed with the State of Iowa Insurance Division.

Changes in the balances of claims payable during the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
Unpaid claims at beginning of year	\$ 710,086	706,686
Incurred claims	7,253,099	5,181,520
Payment	6,600,282	5,178,120
Unpaid claims at end of year	\$ 1,362,903	710,086

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.

**Wauke Community School District
Notes to Financial Statements
June 30, 2018**

(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 \$4,503,722 for the year ended June 30, 2018 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, 2018 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Waukeke	Urban renewal and economic development projects	\$174,289
City of West Des Moines	Urban renewal and economic development projects	\$587,137
Dallas County	Urban renewal and economic development projects	\$0
Total		<u>\$761,426</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, 2018, this reimbursement amounted to \$377,908.

(14) Deficit Fund Balance

A deficit fund balance of \$539,825 exists in the Other Capital Projects Account due to construction costs incurred prior to receiving bond proceeds associated with the project.

(15) Commitments and Contingencies

A. Construction Commitments

The District has active construction projects as of June 30, 2018. The projects include construction on the Radiant Elementary building project and the new high School project. At the end of the year, the District paid \$17,553,538 with \$118,767,877 of outstanding contract agreements to be paid upon completion of the capital projects.

Project	Contract Amount	Costs through June 30, 2018	Outstanding Balance June 30, 2018
Radiant Elementary	\$ 16,321,415	12,710,724	3,610,691
High School (second)	120,000,000	4,842,814	115,157,186
	<u>\$ 136,321,415</u>	<u>17,553,538</u>	<u>118,767,877</u>

Waukee Community School District
Notes to Financial Statements
June 30, 2018

(15) *Commitments and Contingencies (continued from previous page)*

B. Litigation and Contingencies

The District is currently involved in litigation regarding employment practices. At this time, there is no known liability and the commercial insurance carrier is involved.

The District is also currently under a special investigation by the Iowa Auditor of State's office for allegations of misconduct by a District administrator.

(16) Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2018.

Program	Amount
Educator quality, professional development	\$ 355,391
Teacher salary supplement	83,736
Teacher leadership	772,147
Successful progression for early readers	16,060
Total categorical funding	<u>\$ 1,227,334</u>

(17) Due from Other Governments

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

	Governmental Activities				Grand Total
	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Fund	
Local sources:					
Tuition	\$ 320,979	-	-	-	320,979
Statewide sales, services and use tax	-	-	791,235	-	791,235
Summer classes	-	-	-	-	-
	<u>320,979</u>	<u>-</u>	<u>791,235</u>	<u>-</u>	<u>1,112,214</u>
State sources:					
Non-public transportation	286,110	-	-	-	286,110
Foster care special ed claim	55,851	-	-	-	55,851
Vocational aid	23,921	-	-	-	23,921
Military credit	385	106	54	6	551
	<u>366,267</u>	<u>106</u>	<u>54</u>	<u>6</u>	<u>366,433</u>
Federal sources:					
Title I	28,327	-	-	-	28,327
Title I SINA	5,596	-	-	-	5,596
Title IIA	43,751	-	-	-	43,751
Summer food service program	-	-	-	-	-
	<u>77,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,674</u>
Total due from other governments	<u>\$ 764,920</u>	<u>106</u>	<u>791,289</u>	<u>6</u>	<u>1,556,321</u>

Waukee Community School District
Notes to Financial Statements
June 30, 2018

(18) 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.

(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 in Capital Assets	Management Levy	Internal Service	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	1,415,474	-	14,383,567
Capital assets, net of accumulated depreciation	255,230,126	-	-	-
General obligation bond capitalized indebtedness	(101,367,775)	-	-	-
Revenue bond capitalized indebtedness	(70,760,405)	-	-	-
Capital loan note capitalized indebtedness	(11,702,624)	-	-	-
Refunding bond escrow	32,151,347	-	-	-
Unspent debt proceeds	3,610,691	-	-	-
Early retirement payable	-	(317,300)	-	-
Flexible benefits	-	-	184,902	(184,902)
Accrued interest payable	-	-	-	-
Internal service net position	-	-	-	5,177,337
Compensated absences payable	-	-	-	(456,620)
Net pension liability	-	-	-	(50,584,626)
Net OPEB liability	-	-	-	(2,417,323)
Pension related deferred outflows	-	-	-	28,519,232
Pension related deferred inflows	-	-	-	(10,163,127)
OPEB related deferred inflows	-	-	-	(49,155)
Net position (Exhibit A)	\$ 107,161,360	1,098,174	184,902	(15,775,617)

(20) Subsequent Event

The District issued \$25,240,000 in General Obligation School Bonds on July 16, 2018. The bond proceeds will be used to finance construction costs for the second High School building project. The second High School is anticipated to be completed and open for the start of the 2021-22 school year.

(21) Accounting Change/Restatement

Governmental Accounting Standards Board has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosures and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method, and requires deferred outflows of resources and deferred inflows or resources which arise from other types of events related to OPEB to be recognized. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported. Beginning net position for governmental activities and business type activities was related to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	Governmental Activities	Business type Activities
Net position June 30, 2017, as previously reported	\$ 101,996,298	4,099,067
OPEB obligation measured under previous standards	5,641,490	389,965
Total OPEB liability at June 30, 2017	(4,572,680)	(316,084)
Net position July 1, 2017, as restated:	\$ 103,065,108	4,172,948

Required Supplementary Information

Waukee Community School District
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances
Budget and Actual - All Governmental Funds and Proprietary Funds
Required Supplementary Information
Year ended June 30, 2018

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted	Budgeted	Final to Actual Variance- Positive (Negative)
				Amounts	Amounts	
				Original	Final	
Revenues:						
Local sources	\$ 72,815,083	6,745,480	79,560,563	77,920,757	77,920,757	1,639,806
State sources	69,072,942	34,758	69,107,700	69,757,418	69,757,418	(649,718)
Federal sources	2,012,362	1,557,522	3,569,884	3,164,129	3,164,129	405,755
Total revenues	143,900,387	8,337,760	152,238,147	150,842,304	150,842,304	1,395,843
Expenditures:						
Instruction	69,544,902	-	69,544,902	70,056,633	70,056,633	511,731
Support services	33,214,737	268,990	33,483,727	32,998,290	34,562,879	1,079,152
Non-instructional programs	-	7,635,177	7,635,177	7,765,178	8,029,539	394,362
Other expenditures	50,504,155	-	50,504,155	76,335,254	76,335,254	25,831,099
Total expenditures	153,263,794	7,904,167	161,167,961	187,155,355	188,984,305	27,816,344
Deficiency of revenues under expenditures	(9,363,407)	433,593	(8,929,814)	(36,313,051)	(38,142,001)	29,212,187
Other financing sources (uses), net	15,265,871	106,619	15,372,490	34,875,000	34,875,000	(19,502,510)
Excess of revenues and other financing sources over expenditures	5,902,464	540,212	6,442,676	(1,438,051)	(3,267,001)	9,709,677
Balances beginning of year, as restated	79,311,891	4,172,948	83,484,839	82,117,562	82,117,562	1,367,277
Balances end of year	\$ 85,214,355	4,713,160	89,927,515	80,679,511	78,850,561	11,076,954

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 \$4,503,722 for the year ended June 30, 2018.

Waukee Community School District
Schedule of Changes in the District's
Total OPEB Liability, Related Ratios and Notes
For the Current Year
Required Supplementary Information

	<u>2018</u>
Service cost	\$ 291,253
Interest cost	196,906
Difference between expected and actual experiences	-
Changes in assumptions	(56,026)
Benefit payments	<u>(184,270)</u>
Net change in total OPEB liability	247,863
Total OPEB liability beginning of year, as restated	<u>2,336,556</u>
Total OPEB liability end of year	<u>\$ 2,584,419</u>
Covered-employee payroll	\$ 60,874,000
Total OPEB liability as a percentage of covered-employee payroll	4.25%

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

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 Four Fiscal Year*
(In Thousands)
Required Supplementary Information

	2018	2017	2016	2015
District's proportion of the net pension liability	0.806559%	0.776725%	0.718654%	0.667265%
District's proportionate share of the net pension liability	\$53,247	\$48,439	\$35,727	\$27,005
District's covered-employee payroll	\$60,874	\$56,471	\$49,598	\$45,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	87.47%	85.78%	72.03%	60.01%
Plan fiduciary net position as a percentage of the total pension liability	82.21%	81.82%	85.19%	87.61%

* In accordance with GASB Statement No. 68 the amounts presented for each fiscal year were determined as of June 30 the preceding year. This schedule will expand to 10 years as data becomes available.

See accompanying independent auditor's report.

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

	2018	2017	2016	2015
Statutorily required contribution	\$5,759	\$5,367	\$4,931	\$4,429
Contributions in relation to the statutorily required contribution	(5,759)	(5,367)	(4,931)	(4,429)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$64,488	\$60,874	\$56,471	\$49,598
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.93%	8.93%

See accompanying independent auditor's report.

2014	2013	2012	2011	2010	2009
\$4,018	\$3,573	\$3,040	\$2,389	\$2,169	\$1,889
(4,018)	(3,573)	(3,040)	(2,389)	(2,169)	(1,889)
\$0	\$0	\$0	\$0	\$0	\$0
\$45,000	\$41,214	\$37,673	\$34,377	\$32,615	\$29,741
8.93%	8.67%	8.07%	6.95%	6.65%	6.35%

Waukee Community School District
Notes to Required Supplementary Information – Pension Liability
Year ended June 30, 2018

Changes of benefit terms:

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

Changes of assumptions:

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

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

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

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

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

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

Supplementary Information

Schedule 1

Waukee Community School District
 Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2018

	Special Revenue		
	Management Levy	Student Activity	Total
Assets			
Current assets:			
Cash, cash equivalents and pooled investments	\$ 1,398,539	636,790	2,035,329
Receivables:			
Property tax:			
Delinquent	1,208	-	1,208
Succeeding year	700,004	-	700,004
Accounts	19,901	-	19,901
Due from other governments	6	-	6
Total assets	\$ 2,119,658	636,790	2,756,448
Liabilities, Deferred Inflows of Resources and Fund Balances			
Current liabilities:			
Accounts payable	\$ -	19,742	19,742
Salaries and benefits payable	-	4,446	4,446
Deposits payable	4,180	-	4,180
Total liabilities	4,180	24,188	28,368
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	700,004	-	700,004
Total deferred inflows of resources	700,004	-	700,004
Fund balances:			
Restricted for:			
Management levy purposes	1,415,474	-	1,415,474
Student activities	-	612,602	612,602
Total fund balances	1,415,474	612,602	2,028,076
Total liabilities, deferred inflows of resources and fund balances	\$ 2,119,658	636,790	2,756,448

See accompanying independent auditor's report.

Schedule 2

**Waukee Community School District
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 Year ended June 30, 2018**

	Special Revenue		
	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	\$ 599,825	-	599,825
Other	81,242	1,376,185	1,457,427
State sources	21,731	-	21,731
Total revenues	<u>702,798</u>	<u>1,376,185</u>	<u>2,078,983</u>
Expenditures:			
Current:			
Instruction:			
Regular	394,232	-	394,232
Other	-	1,306,160	1,306,160
Support services:			
Administration	625,070	-	625,070
Operation and maintenance of plant	311,072	-	311,072
Total expenditures	<u>1,330,374</u>	<u>1,306,160</u>	<u>2,636,534</u>
Deficiency of revenues under expenditures	(627,576)	70,025	(557,551)
Other financing sources:			
Transfer in	-	26,975	26,975
Deficiency of revenues and other financing sources under expenditures	(627,576)	97,000	(530,576)
Fund balances beginning of year	<u>2,043,050</u>	<u>515,602</u>	<u>2,558,652</u>
Fund balances end of year	<u>\$ 1,415,474</u>	<u>612,602</u>	<u>2,028,076</u>

See accompanying independent auditor's report.

Schedule 3

Waukee Community School District
 Combining Balance Sheet
 Capital Projects Fund Accounts
 June 30, 2018

	Capital Projects			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Assets				
Current assets:				
Cash, cash equivalents and pooled investments	\$ 29,203,779	4,717,988	-	33,921,767
Receivables:				
Property tax:				
Delinquent	-	13,032	-	13,032
Succeeding year	-	7,403,530	-	7,403,530
Due from other governments	791,235	54	-	791,289
Total assets	\$ 29,995,014	12,134,604	-	42,129,618
Liabilities, Deferred Inflows of Resources and Fund Balances				
Current liabilities:				
Accounts payable	\$ 938,873	493,136	539,825	1,971,834
Total liabilities	938,873	493,136	539,825	1,971,834
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	7,403,530	-	7,403,530
Total deferred inflows of resources	-	7,403,530	-	7,403,530
Fund balances:				
Restricted for:				
Debt service	7,601,400	-	-	7,601,400
School infrastructure	21,454,741	-	(539,825)	20,914,916
Physical plant and equipment	-	4,237,938	-	4,237,938
Total fund balances	29,056,141	4,237,938	(539,825)	32,754,254
Total liabilities, deferred inflows of resources and fund balances	\$ 29,995,014	12,134,604	-	42,129,618

See accompanying independent auditor's report.

Schedule 4

Waukee Community School District
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Fund Accounts
 Year ended June 30, 2018

	Capital Projects			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Local tax	\$ -	6,802,731	-	6,802,731
Other	402,914	71,597	-	474,511
State sources	9,327,380	230,051	-	9,557,431
Total revenues	9,730,294	7,104,379	-	16,834,673
Expenditures:				
Current:				
Instruction:				
Regular	-	95,290	-	95,290
Support services:				
Instructional staff	-	1,045,517	-	1,045,517
Administration	5,458	85,743	-	91,201
Operation and maintenance of plant	-	45,035	-	45,035
Other expenditures:				
Facilities acquisition	15,393,159	3,433,798	549,172	19,376,129
Debt service	77,882	-	4,000	81,882
Total expenditures	15,476,499	4,705,383	553,172	20,735,054
Excess (Deficiency) of revenues over (under) expenditures	(5,746,205)	2,398,996	(553,172)	(3,900,381)
Other financing sources:				
Transfers in	-	-	20,985	20,985
Transfers out	(7,592,543)	(2,592,250)	-	(10,184,793)
Issuance of revenue bonds	14,700,000	-	-	14,700,000
Premium on the issuance of debt	713,549	-	-	713,549
Discount on the issuance of debt	(41,059)	-	-	(41,059)
Total other financing sources (uses)	7,779,947	(2,592,250)	20,985	5,208,682
Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	2,033,742	(193,254)	(532,187)	1,308,301
Fund balances beginning of year	27,022,399	4,431,192	(7,638)	31,445,953
Fund balances end of year	\$ 29,056,141	4,237,938	(539,825)	32,754,254

See accompanying independent auditor's report.

Schedule 5

**Waukee Community School District
Combining Statement of Net Position
Proprietary Funds
June 30, 2018**

	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
Assets							
Current assets:							
Cash, cash equivalents and pooled investments	\$ 2,579,537	2,426,366	5,005,903	184,902	490,449	5,864,889	6,540,240
Receivables:							
Accounts	4,936	-	4,936	-	-	-	-
Inventories	49,829	21,496	71,325	-	-	-	-
Total current assets	2,634,302	2,447,862	5,082,164	184,902	490,449	5,864,889	6,540,240
Noncurrent assets:							
Capital assets:							
Equipment	4,496,201	94,737	4,590,938	-	-	-	-
Accumulated depreciation	(2,765,702)	(74,599)	(2,840,301)	-	-	-	-
Total noncurrent assets	1,730,499	20,138	1,750,637	-	-	-	-
Total assets	4,364,801	2,468,000	6,832,801	184,902	490,449	5,864,889	6,540,240
Deferred Outflows of Resources							
Pension related deferred outflows	873,295	638,149	1,511,444	-	-	-	-
Liabilities							
Current liabilities:							
Accounts payable	10,040	39,881	49,921	-	-	-	-
Salaries and benefits payable	24,305	20,268	44,573	-	-	-	-
Compensated absences	10,987	21,062	32,049	-	-	-	-
Incurred but not reported claims	-	-	-	-	-	1,362,903	1,362,903
Advances from prepaid lunches	146,042	-	146,042	-	-	-	-
Advances from prepaid tuition	-	3,884	3,884	-	-	-	-
Total current liabilities	191,374	85,095	276,469	-	-	1,362,903	1,362,903
Noncurrent liabilities:							
Net pension liability	1,561,737	1,100,186	2,661,923	-	-	-	-
Net OPEB liability	118,081	49,015	167,096	-	-	-	-
Total noncurrent liabilities	1,679,818	1,149,201	2,829,019	-	-	-	-
Total liabilities	1,871,192	1,234,296	3,105,488	-	-	1,362,903	1,362,903
Deferred Inflows of Resources							
Pension related deferred inflows	307,516	214,683	522,199	-	-	-	-
OPEB related deferred inflows	2,401	997	3,398	-	-	-	-
Total	309,917	215,680	525,597	-	-	-	-
Net Position							
Investment in capital assets	1,730,499	20,138	1,750,637	-	-	-	-
Unrestricted	1,326,488	1,636,035	2,962,523	184,902	490,449	4,501,986	5,177,337
Total net position	\$ 3,056,987	1,656,173	4,713,160	184,902	490,449	4,501,986	5,177,337

See accompanying independent auditor's report.

Schedule 6

**Waukee Community School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended June 30, 2018**

	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	\$ 3,968,580	2,751,572	6,720,152	856,129	563,234	8,005,796	9,425,159
Operating expenses:							
Support services:							
Administration:							
Benefits	-	-	-	816,865	476,005	7,230,683	8,523,553
Purchased services	130	213,777	213,907	34,335	73,016	17,460	124,811
Supplies	-	-	-	-	-	2,261	2,261
Other	-	-	-	-	-	2,695	2,695
	130	213,777	213,907	851,200	549,021	7,253,099	8,653,320
Transportation:							
Purchased services	-	55,083	55,083	-	-	-	-
Total support services	130	268,860	268,990	851,200	549,021	7,253,099	8,653,320
Non-instructional programs:							
Food service operations:							
Salaries	1,814,891	-	1,814,891	-	-	-	-
Benefits	612,735	-	612,735	-	-	-	-
Purchased services	147,957	-	147,957	-	-	-	-
Supplies	2,267,979	-	2,267,979	-	-	-	-
Other	46,639	-	46,639	-	-	-	-
Depreciation	324,830	-	324,830	-	-	-	-
	5,215,031	-	5,215,031	-	-	-	-
Other enterprise operations:							
Salaries	-	1,650,879	1,650,879	-	-	-	-
Benefits	-	519,003	519,003	-	-	-	-
Purchased services	-	22,433	22,433	-	-	-	-
Supplies	-	203,769	203,769	-	-	-	-
Other	-	10,092	10,092	-	-	-	-
Depreciation	-	13,970	13,970	-	-	-	-
	-	2,420,146	2,420,146	-	-	-	-
Total non-instructional programs	5,215,031	2,420,146	7,635,177	-	-	-	-
Total operating expenses	5,215,161	2,689,006	7,904,167	851,200	549,021	7,253,099	8,653,320
Operating income (loss)	(1,246,581)	62,566	(1,184,015)	4,929	14,213	752,697	771,839

Schedule 6

**Waukee Community School District
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 Year ended June 30, 2018**

	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	14,788	25,431	40,219	-	2,959	60,304	63,263
Loss on disposal of capital assets	(14,891)	-	(14,891)	-	-	-	-
State sources	34,758	-	34,758	-	-	-	-
Federal sources	1,557,522	-	1,557,522	-	-	-	-
Total non-operating revenues	1,592,177	25,431	1,617,608	-	2,959	60,304	63,263
Income (loss) before other financing sources (uses)	345,596	87,997	433,593	4,929	17,172	813,001	835,102
Other financing sources (uses)							
Transfers in	-	224,595	224,595	-	-	-	-
Transfers out	(117,976)	-	(117,976)	-	-	-	-
Total other financing sources (uses)	(117,976)	224,595	106,619	-	-	-	-
Changes in net position	227,620	312,592	540,212	4,929	17,172	813,001	835,102
Net position beginning of year, as restated	2,829,367	1,343,581	4,172,948	179,973	473,277	3,688,985	4,342,235
Net position end of year	\$ 3,056,987	1,656,173	4,713,160	184,902	490,449	4,501,986	5,177,337

See accompanying independent auditor's report.

Schedule 7

**Waukee Community School District
Combining Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2018**

	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
Cash flows from operating activities:							
Cash received from sale of lunches and breakfasts	\$ 3,960,943	-	3,960,943	-	-	-	-
Cash received from miscellaneous operating activities	22,919	2,750,464	2,773,383	856,129	563,234	8,005,796	9,425,159
Cash payments to employees for services	(2,409,408)	(2,230,250)	(4,639,658)	(851,200)	(549,021)	(6,595,326)	(7,995,547)
Cash payments to suppliers for goods or services	(2,156,704)	(527,721)	(2,684,425)	-	-	(4,956)	(4,956)
Net cash provided (used) by operating activities	(582,250)	(7,507)	(589,757)	4,929	14,213	1,405,514	1,424,656
Cash flows from non-capital financing activities:							
Transfers in	-	224,595	224,595	-	-	-	-
Transfers out	(117,976)	-	(117,976)	-	-	-	-
State grants received	34,758	480	35,238	-	-	-	-
Federal grants received	1,246,852	-	1,246,852	-	-	-	-
Net cash provided by non-capital financing activities	1,163,634	225,075	1,388,709	-	-	-	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(70,313)	(8,556)	(78,869)	-	-	-	-
Net cash used by capital and related financing activities	(70,313)	(8,556)	(78,869)	-	-	-	-
Cash flows from investing activities:							
Interest on investments	14,788	25,431	40,219	-	2,959	60,304	63,263
Net increase (decrease) in cash and cash equivalents	525,859	234,443	760,302	4,929	17,172	1,465,818	1,487,919
Cash and cash equivalents at beginning of year	2,053,678	2,191,923	4,245,601	179,973	473,277	4,399,071	5,052,321
Cash and cash equivalents at end of year	\$ 2,579,537	2,426,366	5,005,903	184,902	490,449	5,864,889	6,540,240
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (1,246,581)	62,566	(1,184,015)	4,929	14,213	752,697	771,839
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Commodities used	315,529	-	315,529	-	-	-	-
Depreciation	324,830	13,970	338,800	-	-	-	-
(Increase) decrease in accounts receivable	(4,936)	168	(4,768)	-	-	-	-
(Increase) decrease in inventories	(3,590)	(3,123)	(6,713)	-	-	-	-
Increase (decrease) in accounts payable	(5,938)	(19,444)	(25,382)	-	-	-	-
Increase (decrease) in salaries and benefits payable	14,452	(81,386)	(66,934)	-	-	-	-
Increase in incurred but not reported claims	-	-	-	-	-	652,817	652,817
Increase (decrease) in unearned revenue	20,218	(1,276)	18,942	-	-	-	-
Increase (decrease) in compensated absences payable	4,147	(2,298)	1,849	-	-	-	-
(Decrease) in other post employment benefits payable	(105,285)	(43,703)	(148,988)	-	-	-	-
Increase in net pension liability	135,713	110,512	246,225	-	-	-	-
(Increase) in deferred outflows of resources	(149,307)	(139,030)	(288,337)	-	-	-	-
Increase in deferred inflows of resources	118,498	95,537	214,035	-	-	-	-
Net cash provided (used) by operating activities	\$ (582,250)	(7,507)	(589,757)	4,929	14,213	1,405,514	1,424,656
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Schedule of Net Position:							
Current assets:							
Cash and investments	\$ 2,579,537	2,426,366	5,005,903	184,902	490,449	5,864,889	6,540,240
Cash and cash equivalents at year end	\$ 2,579,537	2,426,366	5,005,903	184,902	490,449	5,864,889	6,540,240
Non-cash investing, capital and financing activities:							
Noncapital financing activities, commodities received from the US Department of Agriculture	\$ 315,529	-	315,529	-	-	-	-

See notes to financial statements.

Schedule 8

**Waukee Community School District
 Schedule of Changes in Special Revenue Fund, Student Activity Accounts
 Year ended June 30, 2018**

Account	Balance beginning of Year	Transfers	Revenues	Expenditures	Balance End of Year
High School:					
Art Club	\$ 259	-	-	-	259
Athletics	(109,312)	52,280	493,344	436,312	-
Band Fund Raising	-	-	4,759	-	4,759
Baseball	2,253	-	20,896	14,182	8,967
Best Buddies	250	-	1,842	1,352	740
Boys Basketball	35,250	(21,004)	84,478	87,384	11,340
Boys Bowling	168	-	791	839	120
Boys Cross Country	4,779	-	12,305	16,498	586
Boys Golf	697	-	1,090	1,108	679
Boys Soccer	1,039	1,780	9,550	12,369	-
Boys Swimming	4,804	-	2,642	2,589	4,857
Boys Tennis	10,200	-	13,084	11,651	11,633
Boys Track	6,077	-	12,914	7,439	11,552
Cheerleaders	(3,397)	4,972	66,498	68,073	-
Class of 2017	17,352	(17,352)	-	-	-
Class of 2018	4,708	3,258	10,120	18,086	-
Class of 2019	4,978	-	5,420	108	10,290
Class of 2020	-	-	5,410	2,389	3,021
Dance/Drill Team	4,174	-	43,009	47,162	21
Drama Troupe	2,523	-	17,320	9,671	10,172
Drama	7,035	-	10,688	7,670	10,053
Drumline	73	-	-	-	73
Electrathon	895	5,110	-	6,005	-
Fashion Club	3,689	-	998	2,294	2,393
FCCLA Club	(2,903)	382	4,000	1,479	-
Flag Team/Color Guard	658	682	-	1,340	-
Football	19,229	-	60,620	60,590	19,259
Future Farmers of America	738	-	1,702	1,813	627
Girls Basketball	15,413	-	18,290	18,899	14,804
Girls Bowling	852	-	714	713	853
Girls Cross Country	14,034	-	6,873	4,166	16,741
Girls Golf	81	332	2,020	2,433	-
Girls Soccer	983	1,327	50	2,360	-
Girls Swimming	3,156	-	4,047	6,784	419
Girls Tennis	718	-	534	400	852
Girls Track	7,148	-	19,898	16,128	10,918
Hyperstream	1,640	-	-	110	1,530
Instrumental Music	576	-	-	-	576
International Club	592	-	735	898	429
Literacy magazine	94	-	-	-	94
Math Warriors	330	-	-	11	319
Musical	31,990	-	27,010	23,846	35,154
National Honor Society	1,133	-	6,803	2,683	5,253
Newspaper	4,440	-	7,291	5,197	6,534
Pal PE	30	-	-	27	3
Prom	17,530	-	18,891	28,557	7,864
ProStart	13,919	-	13,488	9,707	17,700
Quiz Bowl	918	-	450	998	370
Robotics	954	-	-	954	-
SELF Room	1,630	-	454	541	1,543
Show Choir	58,145	-	68,382	43,387	83,140
Softball	29,779	-	21,638	18,364	33,053
Sparkle Cheer	17	(17)	-	-	-
Speech	9,621	-	22,929	19,203	13,347
Student Council	15,258	-	12,841	13,377	14,722
Student Management	926	7,921	5,051	9,193	4,705
Track Club	14,009	-	27,090	34,359	6,740

Schedule 8

**Waukee Community School District
 Schedule of Changes in Special Revenue Fund, Student Activity Accounts
 Year ended June 30, 2018**

Account	Balance beginning of Year	Transfers	Revenues	Expenditures	Balance End of Year
<u>High School (continued):</u>					
Vocal Music	5,125	-	-	-	5,125
Volleyball	31,566	-	6,494	20,107	17,953
Weight Room	10,810	-	15,932	20,626	6,116
Wrestling	2,231	-	19,009	19,532	1,708
Yearbook	17,101	-	63,300	59,849	20,552
<u>Prairieview:</u>					
Art Club	387	-	-	-	387
Athletics	15,342	(12,696)	19,325	18,972	2,999
Dance Troupe	-	-	-	-	-
Drama	5,957	-	2,609	1,449	7,117
Instrumental Music	1,056	-	-	-	1,056
Student Council	165	-	-	8	157
Student Management	2,601	-	-	759	1,842
TSA Club	24	-	-	-	24
Yearbook	6,399	-	11,185	16,012	1,572
<u>Timberline:</u>					
Art Club	23	-	155	71	107
Drama	12,904	-	7,634	4,063	16,475
Show Choir	-	-	500	-	500
Student Council	510	-	3,114	2,899	725
Student Management	315	-	615	311	619
TSA Club	2,201	-	2,505	3,415	1,291
Yearbook	2,751	-	11,160	12,126	1,785
<u>Middle School:</u>					
Drama/Speech/Musical	15,180	-	3,866	2,914	16,132
Student Management	16,061	-	6,389	7,581	14,869
Instrumental Music	2,699	-	81	-	2,780
Swing Choir	5,946	-	-	-	5,946
Vocal Music	42	-	-	-	42
Yearbook	29,354	-	9,511	8,028	30,837
<u>South Middle School:</u>					
Drama/Speech/Musical	11,297	-	5,783	2,367	14,713
Student Council	5,877	-	1,652	4,603	2,926
Student Management	161	-	759	794	126
Swing Choir	150	-	-	-	150
Vocal Music	57	-	-	-	57
Yearbook	19,193	-	7,370	7,923	18,640
<u>Elementary:</u>					
BV Student Council	1,850	-	-	1,238	612
BV Student Management	2,212	-	1,648	1,186	2,674
Eason Student Management	13,321	-	3,255	3,483	13,093
MG Fine Arts	-	-	57	-	57
MG Instrumental Music	111	-	-	-	111
MG Student Management	252	-	-	-	252
SE Student Council	1,279	-	485	1,764	-
SE Student Management	526	-	-	336	190
GR Fine Arts	2,105	-	2,833	2,046	2,892
WE Student Management	6,897	-	-	-	6,897
WD Student Management	3	-	-	-	3
WH Student Management	1,429	-	-	-	1,429
Total	\$ 515,602	26,975	1,376,185	1,306,160	612,602

See accompanying independent auditor's report.

Schedule 9

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

	Modified Accrual Basis									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Local sources:										
Local tax	\$ 66,687,957	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
Tuition	2,001,613	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
Other	4,125,513	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
State sources	69,072,942	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
Federal sources	2,012,362	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
Total	\$ 143,900,387	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
Expenditures:										
Instruction:										
Regular	\$ 48,499,753	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
Special	12,255,630	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
Other	8,789,519	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
Support services:										
Student	3,689,458	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
Instructional staff	9,341,498	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
Administration	7,613,622	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
Operation and maintenance of plant	8,134,269	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
Transportation	4,435,890	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
Other expenditures:										
Capital outlay:										
Facilities acquisition	19,376,129	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
Debt Service:										
Principal	19,290,000	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
Interest and other charges	7,334,304	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
AEA flowthrough	4,503,722	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
Total	\$ 153,263,794	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

See accompanying independent auditor's report.

**Waukee Community School District
Statistical Section
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The statistical section of the Waukee 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.

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Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	91-101
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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,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 107,161,360	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
Restricted	34,384,798	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
Unrestricted	(15,775,617)	(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
Total governmental activities net position	\$ 125,770,541	101,996,298	85,392,074	72,938,842	92,178,318	82,846,005	73,910,653	63,179,565	52,133,860	49,153,256
Business type activities:										
Net investment in capital assets	\$ 1,750,637	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
Unrestricted	2,962,523	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
Total business type activities net position	\$ 4,713,160	4,099,067	4,096,298	3,519,464	4,595,315	4,453,138	3,718,761	3,638,216	2,706,180	2,498,853
Total										
Net investment in capital assets	\$ 108,911,997	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
Restricted	34,384,798	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
Unrestricted	(12,813,094)	(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
Total net position	\$ 130,483,701	106,095,365	89,488,372	76,458,306	96,773,633	87,299,143	77,629,414	66,817,781	54,840,040	51,652,109

Source: District Records

Notes: Change in unrestricted net position from 2014-15 due to implementation of GASB 68.

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN NET POSITION

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities:										
Instruction	\$ 73,974,865	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
Support services	35,187,228	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
Non-instructional services	-	-	-	-	-	-	1,096	102,369	28,486	-
Other expenditures	11,926,242	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
Total governmental activities expenses	121,088,335	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
Business type activities:										
Support services	268,990	353,231	322,355	270,371	193,063	145,660	127,696	-	-	257,408
Food service operations	5,215,031	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
Childcare operations	-	-	-	-	1,302,248	959,791	867,705	823,806	688,651	608,006
Community education operations	2,420,146	2,541,602	2,181,670	1,914,052	329,456	287,337	258,963	269,799	212,864	-
Total business type activities expenses	7,904,167	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
Total expenses	\$ 128,992,502	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
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 3,887,251	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
Support services	292,612	255,919	336,739	302,541	274,001	275,251	273,682	223,783	193,524	145,499
Operating grants and contributions	16,549,909	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
Total governmental activities program revenue	20,729,772	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
Business type activities:										
Charges for services:										
Food service operations	3,968,580	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
Childcare operations	-	-	-	-	1,564,904	1,318,906	1,081,982	910,638	791,795	753,598
Community education operations	2,751,572	2,684,226	2,473,386	1,999,121	116,701	116,747	113,230	98,503	58,234	-
Operating grants and contributions	1,592,280	1,528,936	1,378,531	1,261,576	1,190,464	1,028,289	864,022	794,023	681,161	585,268
Total business type activities program revenues	8,312,432	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
Total program revenues	\$ 29,042,204	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
Net (Expense)/Revenue										
Governmental activities	\$ (100,358,563)	(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)
Business type activities	408,265	(204,965)	14,003	(255,650)	(338,059)	82,603	(118,597)	(306,502)	64,682	261,282
Total net expense	\$ (99,950,298)	(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)
General Revenues and Transfers										
Governmental activities:										
Property taxes	\$ 66,687,957	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
Local option sales & services tax	9,327,380	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
Unrestricted state grants	42,860,519	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
Investment earnings	1,126,075	509,334	144,168	80,346	92,578	52,204	37,630	108,114	191,804	570,523
Other	3,168,684	953,992	954,811	825,392	929,871	796,701	788,757	780,481	1,925,807	347,053
Transfers	(106,619)	(196,730)	(560,140)	(740,091)	(477,016)	(650,157)	(197,609)	(1,218,178)	(140,379)	-
Total governmental activities	123,063,996	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
Business type activities:										
Investment earnings	40,219	11,004	2,691	1,432	3,220	1,617	1,533	3,546	2,266	12,977
Other	(14,891)	-	-	-	-	-	-	-	-	50
Transfers	106,619	196,730	560,140	740,091	477,016	650,157	197,609	1,218,178	140,379	-
Total business type activities	131,947	207,734	562,831	741,523	480,236	651,774	199,142	1,221,724	142,645	13,027
Total general revenues and transfers	\$ 123,195,943	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
Change in Net Position										
Governmental activities	\$ 22,705,433	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
Business type activities	540,212	2,769	576,834	485,873	142,177	734,377	80,545	915,222	207,327	274,309
Total change in net position	\$ 23,245,645	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

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2018*	2017*	2016*	2015*	2014*	2013*	2012*	2011*	2010	2009
General fund:										
Nonspendable	\$ -	27,453	44,468	56,551	49,381	48,481	46,239	55,158	42,785	30,279
Restricted	1,227,334	1,737,788	1,118,032	852,797	535,668	953,225	1,053,041	449,859	73,885	-
Unassigned	14,383,567	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
Total general fund	\$ 15,610,901	11,507,999	7,827,446	7,802,869	6,908,986	9,795,800	11,571,136	9,131,063	8,607,627	9,115,822
All other governmental funds:										
Restricted:										
Debt service	\$ 42,422,524	39,939,750	921,108	912,522	993,273	11,789,967	11,779,376	4,450,438	4,229,495	8,157,269
Special revenue funds	2,028,076	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
Capital projects funds	25,152,854	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
Total all other government funds	\$ 69,603,454	67,803,892	51,200,885	59,179,694	37,504,701	33,715,995	46,712,347	18,855,492	23,270,299	64,518,717

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.

A portion of the Capital Projects restricted fund balance is reserved for debt service as required by revenue bond provisions and therefore is included with the Debt service balance on this schedule.

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS AND DEBT SERVICE RATIO

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Local tax	\$ 66,687,957	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
Tuition	2,001,613	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
Other	4,125,513	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
State sources	69,072,942	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
Federal sources	2,012,362	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
Total revenues	143,900,387	131,686,578	116,928,529	105,058,074	96,438,656	88,606,036	82,570,776	77,474,592	71,066,429	66,195,158
Expenditures:										
Current:										
Instruction:										
Regular	48,499,753	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
Special	12,255,630	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
Other	8,789,519	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
Support services:										
Student	3,689,458	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
Instructional	9,341,498	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
Administrative	7,613,622	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
Operation & plant maintenance	8,134,269	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
Transportation	4,435,890	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
Other expenditures:										
Capital outlay:										
Facilities acquisition	19,376,129	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
Debt service:										
Principal	19,290,000	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
Interest	7,252,422	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
Debt issuance costs	81,882	103,506	20,034	174,095	116,670	-	-	-	-	-
Fiscal charges	-	-	-	-	-	-	-	-	-	8,484
AEA flowthrough	4,503,722	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
Total expenditures	153,263,794	141,815,410	139,812,598	123,990,446	125,715,164	111,258,251	98,010,338	81,544,822	131,162,303	72,644,999
Other financing sources (uses):										
Sale of equipment	-	-	-	-	-	1,167	-	-	-	-
Sale of real property	-	-	-	20,000	-	684,000	-	-	-	-
Transfers in	10,329,744	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
Transfers out	(10,436,363)	(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)
Refunding bonds and notes issued	-	-	-	9,075,000	-	7,045,000	8,390,000	-	18,310,000	-
Bonds and notes issued	14,700,000	30,915,000	13,655,000	38,890,000	33,475,000	-	36,385,000	-	-	50,000,000
Payments to escrow agents for defeasance of bonds	-	(2,776,054)	-	(9,303,534)	-	-	-	-	-	-
Premium/discounts on bonds and notes	672,490	2,470,176	1,520,007	3,057,784	823,639	372,862	1,159,099	-	278,557	123,400
	15,265,871	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
Net change in fund balance	\$ 5,902,464	20,283,560	(7,954,232)	22,568,876	4,821,106	(14,771,688)	30,296,928	(4,235,123)	(41,647,696)	43,673,559
Total expenditures	\$ 153,263,794	141,815,410	139,812,598	123,990,446	125,715,164	111,258,251	98,010,338	81,544,822	131,162,303	72,644,999
Less: capital expenditures	(18,468,403)	(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)
Non-capital expenditures	134,795,391	122,824,520	115,933,607	101,718,467	103,979,412	92,854,959	81,895,633	70,206,015	91,609,325	59,380,742
Debt service expenditures	26,542,422	21,086,562	21,704,070	17,482,366	25,893,107	23,265,619	19,466,486	13,685,492	32,462,565	12,429,653
Debt service expenditures as a percentage of non-capital expenditures	19.69%	17.17%	18.72%	17.19%	24.90%	25.06%	23.77%	19.49%	35.44%	20.93%

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			
2018	\$ 42,787,776	3,837,710	58,935,872	2,012,362	107,573,720
2017	38,523,227	3,120,842	55,429,440	1,812,276	98,885,785
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

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
GENERAL FUND EXPENDITURES, BY FUNCTION

Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	Instruction	Support Services	Non-Instructional Programs	Other Expenditures	Total
2018	\$ 67,749,220	31,084,282	-	4,503,722	103,337,224
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

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

GOVERNMENT-WIDE REVENUES

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Program Revenues							Investment Earnings	Total
	Charges for Services & Sales	Operating Grants & Contributions	Capital Grants & Contributions	Taxes	Other Local Sources	State Sources			
2018	\$ 10,900,015	18,142,189	-	66,687,957	3,153,793	52,187,899	1,166,294	152,238,147	
2017	9,813,732	16,961,793	-	59,674,862	953,992	51,625,859	520,338	139,550,576	
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	

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 Programs	Other Expenditures	Total
2018	\$ 73,974,865	35,456,218	7,635,177	11,926,242	128,992,502
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

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 Enrollment	Growth	Assessed Value	Growth	Tax Rate	Growth
2018	\$ 107,573,720	21.66%	\$ 103,337,224	17.23%	10,374.0	18.25%	\$ 3,518,824,679	10.92%	\$ 11.96494	0.30%
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%

Source: District records

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

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Days net Cash Ratio	97.09	82.79	72.17	71.71	71.36	91.80	107.22	111.11	97.58	108.79
<u>cash</u> average daily disbursements										
Increased Revenue versus Increased Expenditures	1.04	1.53	0.90	1.57	0.85	0.24	1.40	1.29	0.54	0.95
<u>current year revenue minus prior year revenue</u> current year expenditures-prior year expenditures										
Financial Solvency Ratios	13.37%	9.85%	7.54%	8.57%	9.04%	13.78%	16.76%	17.46%	16.70%	18.94%
<u>current year Unassigned Fund Balance</u> current year actual revenue										

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
2018	\$ 66,499,844	66,451,143	99.93%	NA	\$ 66,451,143	99.93%
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%

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
Property Tax Levies					
2018	\$ 42,658,995	598,033	16,456,888	6,785,928	66,499,844
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
Property Tax Collections					
2018	\$ 42,629,094	597,563	16,443,906	6,780,580	66,451,143
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
2018	99.93%	100.00%	99.92%	99.92%	99.93%
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%

WAUKEE COMMUNITY SCHOOL DISTRICT
TAXABLE AND 100% VALUES OF PROPERTY

Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	Real Property		Personal Property		Railroads & Utilities w/o Gas & Electric	
		Taxable	100% Value	Taxable	100% Value	Taxable	100% Value
2016	2017-18	4,049,986,533	6,233,321,918	-	-	12,265,256	12,729,496
2015	2016-17	3,674,604,807	5,697,791,040	-	-	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

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 Value to 100% Value	Total Direct Rate (a)
Taxable	100% Value	Taxable	100% Value		
12,680,359	26,034,096	4,074,932,148	6,272,085,510	64.97%	\$ 17.85545
11,502,902	24,710,309	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

WAUKEE COMMUNITY SCHOOL DISTRICT

TAX RATES BY FUND

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	General	Management	PPEL	Debt Service	Total
2018	\$ 11.96494	0.17051	1.67000	4.05000	17.85545
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

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	Waukee CSD	Total	Ratio to Total
<u>City of Waukee</u>										
2016	2017-18	\$ 3.90713	0.54001	0.00330	0.67458	13.50000	0.01000	17.85545	36.49047	48.932%
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%
<u>City of Clive</u>										
2016	2017-18	\$ 3.90713	0.54001	0.00330	0.67458	10.14499	0.63300	17.85545	33.75846	52.892%
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%
<u>City of Grimes</u>										
2016	2017-18	\$ 3.90713	0.54001	0.00330	0.67458	12.91035	0.60200	17.85545	36.49282	48.929%
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%
<u>City of Urbandale</u>										
2016	2017-18	\$ 3.90713	0.54001	0.00330	0.67458	10.02000	0.68200	17.85545	33.68247	53.011%
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%
<u>City of West Des Moines</u>										
2016	2017-18	\$ 3.90713	0.54001	0.00330	0.67458	12.00000	0.78300	17.85545	35.76347	49.927%
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%

Source: County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT

TAXABLE ASSESSED VALUATION BY PROPERTY TYPE *

Last Ten Fiscal Years
(Unaudited)

Collection Year	2018	% of Total	2017	% of Total	2016	% of Total	2015	% of Total
Residential	\$ 2,519,461,792	79.4%	\$ 2,202,948,327	69.4%	\$ 1,961,329,461	67.0%	\$ 1,819,337,044	68.1%
Agricultural	18,959,963	0.6%	18,667,173	0.6%	20,395,526	0.7%	19,694,238	0.7%
Commercial	874,696,738	27.6%	878,866,871	27.7%	919,304,330	31.4%	803,052,789	30.1%
Industrial	1,959,091	0.1%	1,001,915	0.0%	4,256,371	0.1%	3,543,037	0.1%
Multiresidential	82,292,996	2.6%	49,190,534	1.6%	-	0.0%	-	0.0%
Railroads	4,178,157	0.1%	3,543,651	0.1%	3,157,552	0.1%	3,061,204	0.1%
Utilities w/o Gas & Electric	8,087,099	0.3%	7,711,274	0.2%	8,449,747	0.3%	10,689,993	0.4%
Gas & Electric	<u>11,502,902</u>	0.4%	<u>12,680,359</u>	0.4%	<u>12,753,854</u>	0.4%	<u>12,739,114</u>	0.5%
Sub-Total	3,521,138,738		3,174,610,104		2,929,646,841		2,672,117,419	
(Military Credit)	<u>(2,314,059)</u>		<u>(2,287,477)</u>		<u>(2,300,184)</u>		<u>(2,279,812)</u>	
Totals	<u>\$ 3,518,824,679</u>		<u>\$ 3,172,322,627</u>		<u>\$ 2,927,346,657</u>		<u>\$ 2,669,837,607</u>	

Notes:

* Does not include TIF Valuation

Source: County Auditor and District records

2014	% of Total	2013	% of Total	2012	% of Total	2011	% of Total	2010	% of Total	2009	% of Total
\$ 1,672,352,276	66.4%	\$ 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%
21,611,322	0.9%	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%
792,886,495	31.5%	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%
4,695,550	0.2%	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%
-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
2,958,041	0.1%	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%
13,100,079	0.5%	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%
12,922,909	0.5%	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%
2,520,526,672		2,298,779,308		2,179,692,297		2,080,880,002		1,968,148,721		1,797,794,811	
(2,214,992)		(2,142,833)		(2,074,710)		(1,950,269)		(1,854,007)		(1,795,576)	
<u>\$ 2,518,311,680</u>		<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>	

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUE

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Local revenue		Intergovernmental revenue		
	General and special revenue funds	Debt service and capital projects funds	State sources	Federal sources	Total
2018	\$ 48,682,738	24,132,345	69,072,942	2,012,362	143,900,387
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

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL TAXPAYERS IN THE WAUKEE COMMUNITY SCHOOL DISTRICT

Current and Eight Years Ago
(Unaudited)

Taxpayer	2016 Taxable Values	Percent of Total Assessed Value
Wells Fargo Home Mortgage, Inc.	\$ 210,248,092	5.69%
GCP Jordan Creek LLC	150,402,681	4.07%
Aviva Real Property Holdings LLC	49,445,163	1.34%
Jordan Creek Town Center LLC	46,054,782	1.25%
Microsoft Corporation	42,838,173	1.16%
Dallas County Partners II	28,342,962	0.77%
HyVee, Inc.	27,043,344	0.73%
Iowa Clinic West Lakes I, LLC	21,822,390	0.59%
Edgewater - Wesley Active Life Community	20,493,217	0.55%
Total	\$ 596,690,804	
Total Taxable Assessed Value	\$ 3,697,362,634	

Taxpayer	2008 Taxable Values	Percent of Total Assessed Value
Wells Fargo Home Mortgage, Inc.	\$ 175,941,054	9.34%
GCP Jordan Creek LLC	157,469,634	8.36%
CCOP I LLC	46,737,360	2.48%
Dallas County Partners II	28,552,833	1.52%
West Lakes Development Company	18,426,735	0.98%
Wal-Mart Real Estate Business Trust	14,058,117	0.75%
Northwood Village Ltd	13,207,536	0.70%
Sherman Hills Real Estate Partnership LLP	13,175,847	0.70%
Moody National M Des Moines, IA LLC	12,442,257	0.66%
Total	\$ 480,011,373	
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
2018	37,076	\$ 6,272,085,510	\$ 313,604,276	\$ 108,380,000	1.73%	\$ 2,923
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

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
2018	\$ 19,290,000	7,252,422	26,542,422	153,263,794	17.32%
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%

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2018	2017	2016	2015	2014
Assessed value of property	\$ 6,272,085,510	5,734,150,013	5,291,148,460	4,813,877,135	4,477,825,654
Debt limit-5% of 100% assessed value	313,604,276	286,707,501	264,557,423	240,693,857	223,891,283
Amount of debt applicable to debt limit:					
General obligation bonds	97,745,000	109,765,000	90,630,000	99,325,000	86,555,000
General obligation capital loan note bonds	10,635,000	12,680,000	13,655,000	2,715,000	5,355,000
Total debt applicable to debt limit	108,380,000	122,445,000	104,285,000	102,040,000	91,910,000
Legal debt margin	\$ 205,224,276	164,262,501	160,272,423	138,653,857	131,981,283
Legal debt margin as a percentage of debt limit	65.44%	57.29%	60.58%	57.61%	58.95%

Source: District Records

2013	2012	2011	2010	2009
4,303,921,340	4,132,002,413	3,964,429,946	3,822,756,705	3,502,206,021
215,196,067	206,600,121	198,221,497	191,137,835	175,110,301
105,515,000	110,465,000	96,445,000	101,005,000	105,380,000
7,880,000	10,800,000	8,285,000	9,765,000	11,195,000
113,395,000	121,265,000	104,730,000	110,770,000	116,575,000
101,801,067	85,335,121	93,491,497	80,367,835	58,535,301
47.31%	41.30%	47.17%	42.05%	33.43%

WAUKEE COMMUNITY SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation		Bond	Less: Amount		Percent of Actual	
	General Obligation Bonds	Capital Loan Note Bonds	Premiums and Discounts (*)	Restricted for Debt Service	Total	Property (a)	Per Capita (b)
2018	\$ 97,745,000	\$ 10,635,000	\$ 4,690,399	\$ 34,821,124	\$ 78,249,275	1.25%	\$ 2,111
2017	109,765,000	12,680,000	5,544,722	33,799,287	94,190,435	1.64%	2,540
2016	90,630,000	13,655,000	3,898,006	921,108	107,261,898	2.03%	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

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, 2018
(Unaudited)

	*Taxable Valuation	Taxable Valuation Within District	Percent in District	G. O. Debt	Waukee CSD Share of the Debt
Dallas County	\$ 5,705,889,470	\$ 4,001,584,144	70.13%	\$ 31,910,000	\$ 22,378,728
City of Waukee	988,006,921	978,470,223	99.03%	71,572,931	70,882,076
City of Clive	1,434,281,231	433,427,925	30.22%	19,260,000	5,820,213
City of Urbandale	2,984,701,061	665,161,569	22.29%	73,430,000	16,364,391
City of West Des Moines	4,973,828,618	1,924,524,527	38.69%	184,720,000	71,473,747
Area XI Des Moines Area Community College	44,182,123,623	4,001,584,144	9.06%	70,090,000	6,348,066
Total District Share of Overlapping Debt					<u>\$ 193,267,221</u>
Direct, Waukee Community School District:					
General Obligation			100.00%	\$ 97,745,000	\$ 97,745,000
Sales Tax Revenue Bonds			100.00%	68,795,000	68,795,000
General Obligation Capital Loan Notes			100.00%	10,635,000	10,635,000
Bond Premiums and Discounts			100.00%	6,655,801	6,655,801
Total District Direct Debt					<u>\$ 183,830,801</u>
Grand Total District Overlapping and Direct Debt					<u><u>\$ 377,098,022</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.

*Tax Year FY2018

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	
	Bonds	Revenue Bonds	Capital Loan Note Bonds	Capital Loan Note Bonds	Premiums and Discounts (*)		Personal Income (a)	Per Capita (a)
2018	\$ 97,745,000	68,795,000	10,635,000	10,635,000	6,655,801	183,830,801	N/A	\$ 4,958
2017	109,765,000	59,320,000	12,680,000	12,680,000	6,998,048	188,763,048	N/A	5,091
2016	90,630,000	63,240,000	13,655,000	13,655,000	5,469,712	172,994,712	8.92%	4,666
2015	99,325,000	67,050,000	2,715,000	2,715,000	2,972,082	172,062,082	10.12%	4,641
2014	86,555,000	49,630,000	5,355,000	5,355,000	752,385	142,292,385	9.29%	3,838
2013	105,515,000	19,335,000	7,880,000	7,880,000	-	132,730,000	9.12%	3,580
2012	110,465,000	22,335,000	10,800,000	10,800,000	-	143,600,000	11.14%	3,873
2011	96,445,000	8,680,000	8,285,000	8,285,000	-	113,410,000	9.81%	3,059
2010	101,005,000	11,355,000	9,765,000	9,765,000	-	122,125,000	12.35%	3,294
2009	105,380,000	13,925,000	11,195,000	11,195,000	-	130,500,000	13.79%	9,907

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
2018	\$ 9,327,380	\$ 5,225,000	\$ 2,344,058	\$ 7,569,058	1.23
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

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, 2018
(Unaudited)

Name of School	Dates of Construction	Grades Served
Elementary Schools:		
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. 2017	Certified Staff	Pupil/Teacher Ratio	Number of Classrooms	Teaching Sections
	651	43.63	14.92	28	28
	581	38.63	15.04	29	25
	621	44.08	14.09	38	28
	711	50.30	14.14	26	31
	743	48.57	15.30	31	32
	684	43.25	15.82	31	31
	558	45.83	12.18	25	27
	682	47.59	14.33	39	33
	5,231	361.88	14.46	247	235
	789	58.30	13.53	69	-
	784	61.00	12.85	71	-
	707	48.80	14.49	44	-
	715	52.00	13.75	47	-
	1,869	123.00	15.20	93	-
	10,095	704.98	14.32	571	235

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT STAFFING LEVELS

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administration:										
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Principal	14.00	13.00	12.00	12.00	11.00	10.00	10.00	10.00	8.00	8.00
Associate Principal	11.00	11.00	11.00	9.00	8.00	7.00	4.00	4.00	4.00	4.50
Other Administrators	9.00	9.00	9.00	8.00	7.00	6.00	5.00	5.00	6.00	6.00
Total Administration	35.00	34.00	33.00	30.00	27.00	24.00	20.00	20.00	19.00	19.50
Other Professionals										
Instruction:										
Teacher	647.16	614.11	596.45	553.80	514.87	484.23	438.54	416.93	332.03	384.34
Curriculum Specialist	31.00	26.00	20.00	16.00	17.00	15.00	8.50	9.00	1.00	0.50
Counselor	29.50	27.00	26.50	19.50	18.50	15.00	15.00	21.00	18.50	18.50
Title I	4.00	4.00	3.25	3.50	4.00	3.50	3.50	4.25	3.50	1.50
Media Specialist	11.00	11.00	12.00	11.00	11.00	10.00	10.00	10.00	8.00	8.00
Total Instruction	722.66	682.11	658.20	603.80	565.37	527.73	475.54	461.18	363.03	412.84
Professional, Other:										
Nurse	12.00	11.00	10.00	9.00	9.00	8.00	8.00	8.00	6.00	6.00
Other Professional	26.00	14.00	14.00	13.00	13.00	13.00	13.00	14.00	7.00	14.00
Total Professional, Other	38.00	25.00	24.00	22.00	22.00	21.00	21.00	22.00	13.00	20.00
Support Personnel:										
Office/Clerical	37.27	38.64	36.60	36.29	32.70	36.12	34.00	33.00	31.44	36.00
Crafts/Trades	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Teacher Associates	188.89	179.99	181.70	160.76	146.41	131.48	125.00	119.00	123.00	105.11
Other Support Personnel	185.47	187.74	203.10	174.48	174.89	132.18	97.00	127.00	98.07	104.87
Total Support Personnel	416.63	410.37	425.40	375.53	358.00	303.78	260.00	283.00	256.51	249.98
Totals	1,212.29	1,151.48	1,140.60	1,031.33	972.37	876.51	776.54	786.18	651.54	702.32

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 Income (b)	Adjusted		Unemployment Rate (c) State of Iowa	Unemployment Rate (c) Des Moines Area
			Gross Income per Tax Return (b)	Per Capita Personal Income		
2018	37,076	N/A	N/A	N/A	2.7%	2.4%
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%

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 County	Percent Increase	Waukee	Percent Increase	West Des Moines	Percent Increase	Des Moines	Percent Increase
2017	\$ 1,279.59	4.6%	\$ 236.50	4.0%	\$ 786.10	3.6%	\$ 3,851.68	1.6%
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%

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	2018	2009
		Employees	
Wells Fargo Home Mortgage	Financial	3,177	3,247
Athene Holding Ltd.	Insurance	1,300	-
Wells Fargo Card Services	Financial	1,278	-
Waukee Community Schools	Education	1,212	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	425	-
Quad Graphics	Printing/Book Binding	220	-
Gilcrest Jewett	Lumber/Building Materials	145	-
Stivers Ford	Automobile Sales/Service	137	-
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		9,793	9,901

Larger employers in the area	Product/Service	2018	2009
		Employees	
Wells Fargo & Co	Financial Services	14,500	-
UnityPoint Health	Health Care	8,026	4,018
State of Iowa	Government	7,600	6,749
Principal Financial Group	Insurance	6,500	7,600
Hy-Vee Food Stores, Inc.	Retail Grocery and Drug	6,400	-
United States Government	Government	6,200	6,100
Nationwide/Allied Insurance	Insurance	4,525	-
Mercy Hospital Medical Center	Health Care	4,228	6,200
John Deere Companies	Agricultural Sales	3,089	-
DuPont Pioneer	Agricultural Sales	2,495	2,000
Des Moines Ind. School District	Government	-	5,325
Wellmark Blue Cross Blue Shield	Insurance	2,000	2,066
Bridgestone-Firestone	Manufacturing	1,600	1,800
City of Des Moines	Government	-	1,600
Total		67,163	43,458

Notes: Percentages of total employment are unavailable.

In 2009, the District reported 10 or more larger employers in the area.

In 2018, 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

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT POPULATION

June 30, 2018
(Unaudited)

Census Year	Dallas County	City of Waukee	City of Clive	City of Grimes	City of Urbandale	City of West Des Moines
2017**	87,235	20,649	17,172	12,742	43,592	65,608
2015*	N/A	17,945	17,506	11,423	42,449	63,541
2010	66,135	13,790	15,447	8,246	39,463	56,609
2000	40,750	5,126	12,855	5,098	29,072	46,403
1990	29,755	2,512	7,462	2,653	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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
PK	48	129	120	31	36	34	29	30	30	24
K	877	844	828	821	715	768	672	625	577	595
1	870	854	849	731	761	697	628	603	584	568
2	872	850	767	764	729	675	598	601	547	584
3	877	811	804	733	670	636	603	542	581	570
4	846	823	759	690	653	625	562	581	549	513
5	841	800	712	659	625	594	580	559	516	522
6	809	741	669	651	613	628	560	524	504	431
7	764	689	693	627	623	581	512	517	423	451
8	707	705	630	622	562	533	506	419	432	378
9	715	641	619	564	523	535	413	438	362	316
10	636	628	570	517	513	428	440	355	297	308
11	638	563	518	516	412	461	363	304	285	304
12	595	521	526	418	449	381	292	282	272	321
District Served Enrollment	10095.0	9599.0	9064.0	8344.7	7884.3	7576.0	6758.0	6380.0	5959.0	5885.0
Open Enrollment/Tuition In	234.0	209.0	215.0	214.0	222.0	210.0	191.0	185.1	169.2	175.0
Open Enrollment/Tuition Out (includes Home & Alt. School Students)	513.0	508.7	462.4	428.6	404.3	353.6	365.7	311.6	308.1	257.4
Certified Resident Enrollment	10374.0	9898.7	9311.4	8559.3	8066.6	7719.6	6932.7	6506.5	6097.9	5967.4

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

OPERATING COST PER PUPIL

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Total Costs*	Daily Membership	Operating Cost per Pupil
2018	\$ 103,337,224	10,199	\$ 10,132
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

*Includes only General Fund expenditures.

Source: District records

**Waukee Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2018**

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY 18	\$ 167,626
National School Lunch Program	10.555	FY 18	1,385,197 *
Summer Food Service Program for Children	10.559	FY 18	4,699
			1,557,522
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 18	323,670
Title I Grants to Local Educational Agencies - SINA	84.010	FY 18	11,191
			334,861
Supporting Effective Instruction State Grants	84.367	FY 18	66,975
Heartland Area Education Agency:			
Special Education - Grants to States	84.027	FY 18	466,076
Title III - English Language Acquisition State Grants	84.365	FY 18	26,765
			492,841
Dallas Center-Grimes Community School District:			
Career and Technical Education - Basic Grants to States	84.048	FY 18	46,810
U.S. Department of Health and Human Services:			
Iowa Department of Education:			
Developmental Disabilities Projects of National Significance	93.631	FY 18	733
Total			\$ 2,499,742

* Includes \$315,529 of non-cash awards.

See accompanying independent auditor's report.

Waukee Community School District
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Waukee Community School District under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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 Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Waukee Community School District has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$315,529 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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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, 2018, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2018.

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, 2018 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Waukee Community School District's Responses to the Findings

Waukee Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Waukee 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 Waukee 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

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

December 3, 2018



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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Education 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) *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, 2018. 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 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, 2018.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Van Maanen, Sietstra, Meyer & Nikkel PC

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

December 3, 2018

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U. S. generally accepted accounting principles.
- (b) No materials 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 200.516(a).
- (g) Major programs were as follows:
 - Child Nutrition Cluster:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
 - CFDA Number 10.559 – Summer Food Service Program for Children
- (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.

**Waukee Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2018**

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-18 Certified Budget – District expenditures for the year ended June 30, 2018 did not exceed the amounts budgeted in any of the functional areas.
- IV-B-18 Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-18 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-18 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-18 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-18 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-18 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-18 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-18 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-18 Certified Annual Report - The Certified Annual Report was filed timely to the Iowa Department of Education.
- IV-K-18 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, 2018**

IV-L-18 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, 2018, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$	27,022,399
Revenues/transfers in:			
Sales tax revenues	\$	9,327,380	
Other local revenues		402,914	
Issuance of revenue bonds		14,700,000	
Premium (discount) on issuance of debt		672,490	25,102,784
			<hr/> 52,125,183
Expenditures/transfers out:			
School infrastructure construction		15,393,159	
Other		83,340	
Transfers to other funds:			
Debt service funds		7,592,543	23,069,042
			<hr/> 23,069,042
Ending balance		\$	<u>29,056,141</u>

For the year ended June 30, 2018, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

IV-M-18 Deficit Balance – The Other Capital Projects Fund had a deficit fund balance at June 30, 2018.

Recommendation - The District should continue to investigate alternatives to eliminate this deficit in order to return this fund to a sound financial condition.

Response – The District paid for project expenditures prior to receiving bond proceeds and therefore the deficit balance will be eliminated.

Conclusion - Response accepted.

