

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the

SIOUX CITY COMMUNITY SCHOOL DISTRICT
Sioux City, Iowa

For the Fiscal Year Ended June 30, 2005

OFFICIAL ISSUING REPORT

William K. Stoneburg

Director of Finance

OFFICE ISSUING REPORT

Business Office

SIOUX CITY COMMUNITY SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
<i>INTRODUCTORY SECTION:</i>	
Letter of Transmittal.....	I-V
Administrative Structure	VI
Board of Education	VII
School District Administration.....	VIII
Consultants and Advisors.....	IX-X
Certificate of Excellence in Financial Reporting.....	XI
Certificate of Achievement for Excellence in Financial Reporting.....	XII
<i>FINANCIAL SECTION:</i>	
Independent Auditors' Report.....	1-2
Management's Discussion and Analysis	3-14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	15
Statement of Activities	16-17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18-19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20-21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Assets - Proprietary Funds.....	23
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds.....	24
Statement of Cash Flows - Proprietary Funds	25
Notes to Financial Statements	26-43
Required Supplementary Information:	
Budgetary Comparison Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, All Governmental Funds and Proprietary Funds	44-45
Notes to Required Supplementary Information - Budgetary Reporting	46
Other Supplementary Information:	
Governmental Nonmajor Fund Statements:	
Balance Sheet - Governmental Nonmajor Fund	47
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Nonmajor Fund	48

SIOUX CITY COMMUNITY SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION:	
General School System Expenditures by Function - Government-Wide	49
General School System Revenues by Source - Government-Wide.....	50
Schedule of Comparative Tax Receipts by Fund - All Funds.....	51
General District Revenue by Source	52
General District Expenditures by Program and/or Function.....	53
Property Tax Levies and Collections	54
Taxable and Estimated Actual Value	55
Property Tax Rates Per \$1,000 Assessed Valuation All Direct and Overlapping Governments	56-57
Comparative Ratio of General Bonded Debt to Assessed Taxable Values	58
Computation of Direct and Overlapping Debt.....	59
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures	60
General Analysis of Facilities, Classrooms and Staffing	61
District Staffing Levels	62
Official Enrollment by Grade.....	63
Operating Cost Per Pupil.....	64
Insured Property Values and Bank Deposits.....	65
Financial Solvency Ratio	66
Miscellaneous Demographic Statistics	67-78
Summary of Building Construction	79-80
Ten Principal Taxpayers in the District.....	81
Range of Employment in the Sioux City Area	82
Legal Debt Margin Calculation	83
SINGLE AUDIT SECTION:	
Schedule of Expenditures of Federal Awards	84
Summary Schedule of Prior Year Audit Findings for Federal Awards	85
Schedule of Findings and Questioned Costs	86-88
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	89-90
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	91

Sioux City Community School District

Education Service Center
1221 Pierce Street
Sioux City, Iowa 51105

December 14, 2005

Mr. Doug Batcheller
and Members of the Board of Education
Sioux City Community School District
Sioux City, Iowa

The Comprehensive Annual Financial Report for the Sioux City Community School District for the fiscal year ended June 30, 2005 is submitted herewith. Responsibility for the accuracy of data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data are presented in a manner designed to fairly set forth the financial position and results of operations of the District, as measured by the financial activity of the various funds; that all disclosures necessary to enable the reader to gain a comprehensive understanding of the District's financial activity have been included; and the information provided is complete and accurate in all material respects.

The financial statements and schedules presented in this comprehensive annual financial report (CAFR) include all the funds of the District in accordance with standards set by the Governmental Accounting Standards Board (GASB).

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School Board's organizational chart, a list of the District's consultants and principal officials, a Certificate of Excellence in Financial Reporting from the Association of School Business Officials International and a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. The financial section includes the independent auditors' report, the basic financial statements, Management's Discussion and Analysis, required supplementary information and other supplementary information.

The statistical section includes selected financial and demographic data for up to a ten-year period. The single audit section includes the schedules and various independent auditors' reports and findings required by the Single Audit Act Amendment of 1996, along with comments required by the Iowa Auditor of State.

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

The report presents the financial information of the District accurately and concisely. It is designed to be comprehensive, yet easily readable and accessible.

Mr. Doug Batcheller
and Members of the Board of Education
December 14, 2005

The current Comprehensive Annual Financial Report will be submitted to the Association of School Business Officials International (ASBO) for review for the ASBO Certificate of Excellence and to the Government Finance Officers Association of the United States and Canada (GFOA) for the GFOA Certificate of Achievement.

Accounting System

All funds of the District are presented in this report and have been audited by the District's independent certified public accountants, King, Reinsch, Prosser & Co., L.L.P.

In developing and evaluating the accounting system of the District, much consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the internal accounting controls of the School District adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions, but we welcome the testing of these controls annually.

Reporting Entity and Its Services

The Sioux City Community School District was organized in March of 1869. The District is supported financially by legislatively appropriated state aid, property taxes, local option sales and services tax, income surtax, state and federal grants for special projects and local revenue received in the form of tuition and other miscellaneous income items. The District is governed by a seven-member board of education. The elections are held annually in September. Two and three positions are up for election on alternate years. All board members are elected at large.

The District provides a full range of educational services for residents of the Sioux City Community School District appropriate to students in early childhood and grades kindergarten through twelve. The official enrollment of the District as of September 2004 (the official count date) was 14,276 students. These services include basic, regular and enriched academic education, special education for identified children with qualifying special needs, vocational education and many individualized programs such as specialized instruction for students at-risk and students whose primary language is not English.

The financial statements include all funds, agencies, boards, and commissions. The District has also considered all actual and potential component units for which it is financially accountable and all other organizations where 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 criteria considered in determining financial accountability of any entity to the District 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; and/or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Sioux City School District has no component units that meet the Governmental Accounting Standards Board criteria.

Cash Management

The District invests in only those securities allowed by the Code of Iowa, Chapter 12C. Because of the uncertainty of the timing of state aid payments, a portion of the available cash must be kept in very liquid accounts.

Cash temporarily idle during the year was invested in Iowa Schools Joint Investment Trust, depository sweep bank accounts, money market accounts, and certificates of deposit. Interest earned on investments during the year was \$995,518. The average interest rate was 2.7%, up from 1.51% the previous fiscal year. Almost all banks deposits were with federally chartered banks in insured accounts. Balances exceeding the insurance limits were insured by the State of Iowa under Code Section 12C.23.

The Iowa Schools Joint Investment Trust is a common law trust established under Iowa Law pursuant to Chapter 28E and Section 279.29, Iowa Code (1985), as amended which authorized Iowa schools to jointly invest money pursuant to a joint investment agreement. The objective of the trust is to maintain a high degree of liquidity and safety of principal through investment in short-term securities as permitted for Iowa schools under Iowa Law. Overnight money may be withdrawn at any time and certificates of deposit mature at designated dates.

Risk Management

The District currently covers property, liability, and workers' compensation losses with traditional insurance coverage through the Iowa Association of School Boards' group plan carried by Employers' Mutual Insurance Company. An active safety training and monitoring program exists. The group health, prescription drugs and dental plans are partially self-funded with stop loss policies purchased for both specific and group aggregate limits.

Budgeting

The District's Board of Education annually adopts and certifies a budget following a public hearing and approves the related appropriations for the General, Special Revenue, Debt Service, Capital Projects and Enterprise Funds in accordance with provisions outlined in the Statutes of the State of Iowa. The budgets and financial statements for the governmental fund types are prepared on a modified accrual basis, and the budget and financial statements for the Enterprise Funds are prepared on the accrual basis. A statement comparing the original and amended budget to actual revenues and expenditures/expenses is included as required supplementary information.

For management control, the line item budgets are reviewed for variances. However, since a budget is a plan, overage or underage on a line item basis are allowed if sufficient funds are available on a major program basis. Iowa law requires the formal and legal budgetary control for the certified budget to be based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs and other expenditures. During the year ended June 30, 2005, disbursements in the non-instructional programs functional area exceeded the amount budgeted. Food costs exceeded budget estimates because of greater than anticipated lunch and breakfast sales volume which caused increased purchases of food.

Management's Discussion and Analysis

The Management's Discussion and Analysis provides a detailed analysis of the changes in the District's financial position.

Mr. Doug Batcheller
and Members of the Board of Education
December 14, 2005

Major Initiatives and Achievements

Beginning in 1994 a group of citizens, working with the School Board, began a systematic assessment of facilities. No major upgrades or replacements had occurred since 1972. In 1998 local voters approved a one-cent local option sales and services tax for school infrastructure. This tax was renewed in August of 2005 for an additional ten years beyond the original expiration date of 2008. With that sales tax funding the District was able to develop a plan for the future. The first step was to design a new middle school, as well as certain essential repairs and renovations to existing school buildings. Plans for construction were approved and bids taken for each project. Construction was completed in December 2001 on the new 165,000 square foot West Middle School. The new 195,000 square foot East Middle School (formerly Hayworth) has been completed and opened in August of 2002. The new North Middle School was completed in June of 2004 with an opening date of August 2004. A new Irving Elementary School is under construction which will replace the current Irving Elementary School which is the oldest elementary school in the State of Iowa still in operation. The District issued revenue bonds in December 1999, December 2000, July 2001, and April 2005 to finance the construction, with sales tax revenues over the next seven years paying off the bonds.

Economic Condition and Outlook

The City of Sioux City's location in the tri-state area of Iowa, Nebraska, and South Dakota provides the area with a regional economic importance. While the regional tax base is strong, the property tax base of the Sioux City Community School District itself is substantially below the state average. The per pupil property tax valuation remains among the lowest in the state of Iowa. The Sioux City Community School District ranks 361st out of 367 school districts in the state. Our strong regional retail market continues to provide wealth to the community. Our strong regional market is illustrated by various convention and tourism activities.

The Sioux City Community School District is faced with the challenge of replacing or renovating a number of old, outdated, and in some cases, worn out schools. The School District's success in passing a 1% local option sales tax for school construction will provide over \$89 million over the 10-year referendum life (October 1998 through September 2008) for replacement of schools. This tax was renewed in August of 2005 for another 10 years through September of 2018. This option is especially welcome since large, property tax supported debt issuance will not be necessary to replace schools. Large school debt issuance would have increased overlapping debt with the City and County and negatively affected the bond rating for the City, County, and School District.

The State of Iowa's school funding formula projects a controlled budget based on September's enrollment for the current budget year multiplied by a legislatively approved cost per pupil for the subsequent budget year. In fiscal year 1999 the legislature approved moving 75% or \$38 per pupil of Talented and Gifted funding from the local property tax to the state school funding formula, effective for budget year 1999-2000. The per pupil allowable cost for budget year 2004-2005 was \$4,741. The allowable growth rate for FY2006 has been set at 4%.

As in 2004-2005, the School District must operate in the most efficient manner during 2005-2006 to help ensure adequate funding for staff, services and supplies.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence to the District for their comprehensive annual financial report for the fiscal year ended June 30, 2004. In order to be awarded these Certificates, the District must publish an easily readable and efficiently organized comprehensive

Mr. Doug Batcheller
and Members of the Board of Education
December 14, 2005

annual financial report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. These certificates are valid for a period of one year only. We believe our current report continues to conform to these requirements and are submitting it to GFOA and ASBO International to determine its eligibility for a certificate from these organizations.

Other Matters

Also included in this report is a statistical section that will give the reader a better understanding of the school system with background and additional financial data. The background information includes the following:

1. Comparative tax revenue and levies
2. Expenditures by program and/or function
3. Computation of direct and overlapping debt
4. Analysis of facilities, classroom and staffing
5. Staffing levels for a ten (10) year period
6. Enrollments by grade level
7. Operating cost per pupil
8. Financial solvency ratio
9. Miscellaneous demographic statistics
10. Summary of building construction
11. Major taxpayers of the District
12. Major employers of the District
13. Legal Debt Margin Calculation

We wish to take this opportunity to thank the Administrative Office Staff that assisted in obtaining and organizing data, the County Auditor and Treasurer offices and the city and town officials who provided much needed information. Without all of the above groups' efforts, the report could not have been completed.

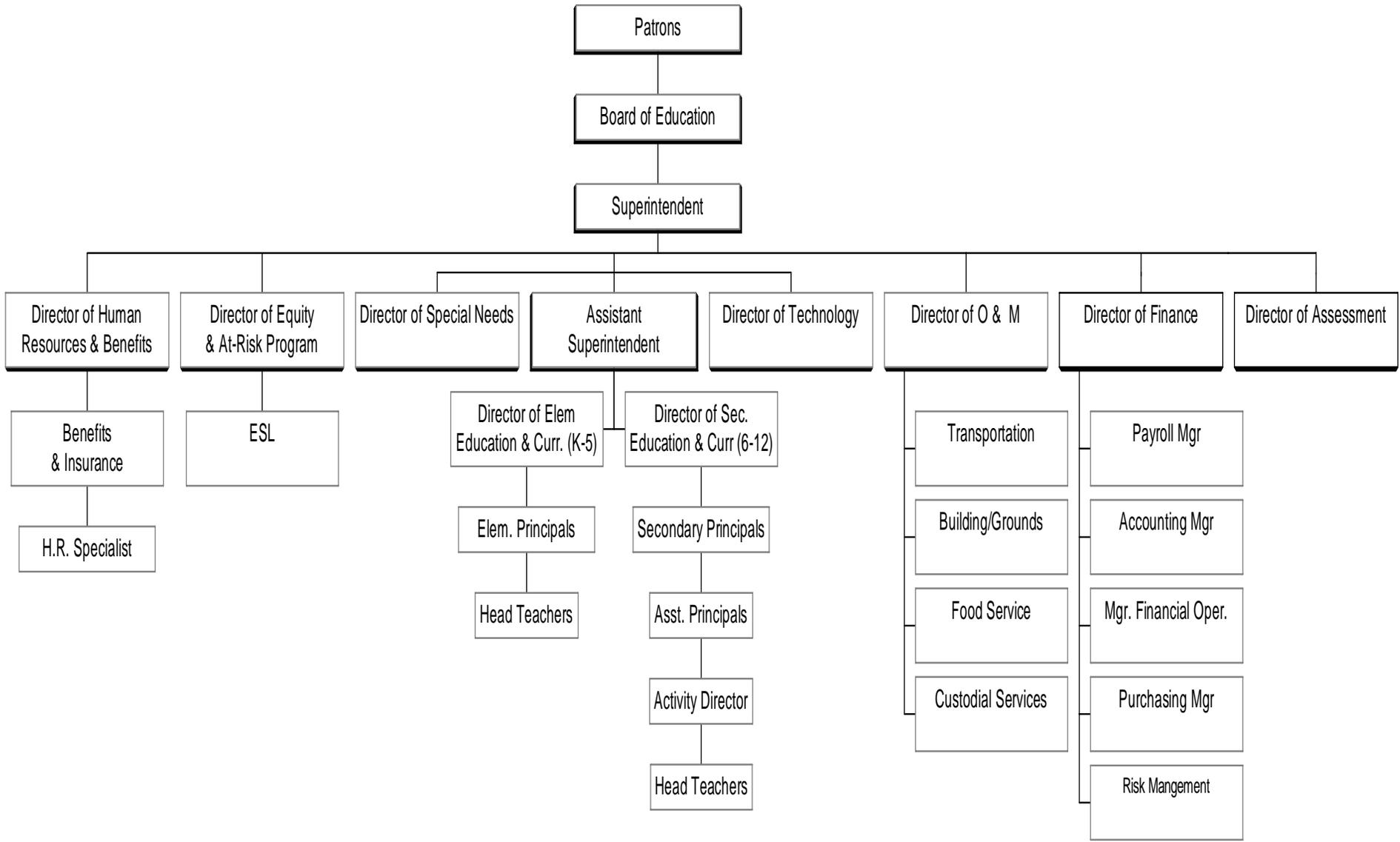
In summary, we hope that this comprehensive annual financial report will give the public we serve a better understanding of our financial condition.

Very truly yours,


William K. Stoneburg
Director of Finance


Larry D. Williams
Superintendent of School

SIoux CITY COMMUNITY SCHOOL
DISTRICT
Administrative Structure FY2004-2005



SIOUX CITY COMMUNITY SCHOOL DISTRICT

BOARD OF EDUCATION

YEAR ENDED JUNE 30, 2005

(Before September 2004 Election)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Anne James	President	September, 2004
Ron Jorgensen	Vice President	September, 2005
Doug Batcheller	Board Member	September, 2006
Valorie Kruse	Board Member	September, 2004
James Daane	Board Member	September, 2006
Nancy Mounts	Board Member	September, 2006
Judy Peterson	Board Member	September, 2005

(After September 2004 Election)

Ron Jorgensen	President	September, 2005
Doug Batcheller	Vice President	September, 2006
Barbara Benson	Board Member	September, 2007
James Daane	Board Member	September, 2006
Walt Johnson	Board Member	September, 2007
Nancy Mounts	Board Member	September, 2006
Judy Peterson	Board Member	September, 2005

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHOOL DISTRICT ADMINISTRATION

YEAR ENDED JUNE 30, 2005

Larry D. Williams	Superintendent
Dr. Linda Madison	Assistant Superintendent
William K. Stoneburg	Director of Finance
Steve Crary	Director of Human Resources

BUSINESS OFFICE

Troy Thomas	Purchasing Manager
Gordon Winterlin	Accounting Manager
Linda Bornholtz	Payroll Manager
Patty Pageler	Financial Operations Manager

DIRECTORS

Marilyn Charging	Director of Education Equity
Roger Lobitz	Director of Technology
LuAnn Richardson	Director of Elem. Education & Curriculum (K-5)
Bruce Johnson	Director of Sec. Education & Curriculum (6-12)
Mel McKern	Director of Operations and Maintenance
Jean Peters	Director of Special Needs
Pete Garlinghouse	Director of Assessment

SIoux CITY COMMUNITY SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

YEAR ENDED JUNE 30, 2005

CERTIFIED PUBLIC ACCOUNTANTS

King Reinsch Prosser & Co., L.L.P.
522 4th Street, Suite 200
Sioux City, IA 51101-1620

BOND ATTORNEYS

Ahlers, Cooney, Dorweiler, Haynie, Smith & Allbee
100 Court Avenue, Suite 600
Des Moines, IA 50309-2207

FINANCIAL CONSULTANTS

Public Financial Management
601 Second Avenue South, Suite 5100
Minneapolis, MN 55402

GENERAL COUNSEL

Primary:
Berenstein, Moore, Berenstein, Hefferman and Moeller, L.L.P.
501 Pierce Streets, Suite 300
Sioux City, IA 51101

Additional:
Klass, Stoos, Stoik, Mugan & Phillips
500 Jackson Plaza, Box 327
Sioux City, IA 51105

Ahlers, Cooney, Dorweiler, Haynie, Smith & Allbee
100 Court Avenue, Suite 600
Des Moines, IA 50309-2207

ARCHITECTS & ENGINEERS

Schroeder Engineering
220 Westcott
Sioux City, IA 51106

FEH Associates, Inc.
701 Pierce Street, Suite 406
Sioux City, IA 51101

Neumann, Monson, & Wictor
701 Douglas Street
Sioux City, IA 51101

Cannon, Moss, Brygger and Associates, P.C.
401 Douglas Street, Suite 500
Sioux City, IA 51101

TECHNOLOGY CONSULTANTS

Catalyst Solutions
1925 Summit Street
Sioux City, IA 51104

Netsys Plus
2038 So. St. Aubin
Sioux City, IA 51106

INSURANCE CONSULTANTS

Grandy Pratt Insurance a Division of Arthur J.
Gallagher & Company of Iowa, Inc.
4280 Sergeant Road
Sioux City, IA 51106

Gallagher Benefit Services, Inc
6399 South Fiddler's Green Circle
Suite 200
Greenwood Village, CO 80111

INSTRUCTIONAL & CURRICULUM

Learning Group
1325 Des Moines Street
Webster City, IA 50595

SIoux CITY COMMUNITY SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

YEAR ENDED JUNE 30, 2005

OFFICIAL DEPOSITORIES

U S Bank Sioux City NA
600 4th Street
Sioux City, IA 51101

Wells Fargo Bank Iowa NA
501 Pierce Street
Sioux City, IA 51101

Security National Bank
601 Pierce Street
Sioux City, IA 51101

First Federal Savings Bank
329 Pierce Street
Sioux City, IA 51101

Morningside Bank & Trust
1901 Morningside Avenue
Sioux City, IA 51106

Pioneer Bank
701 Pierce Street
Sioux City, IA 51101

ISJIT (Iowa Schools Joint Investment Trust)
(Norwest Bank Iowa)
Des Moines, IA 50309

Iowa/Nebraska Bank
2401 Hamilton Boulevard
Sioux City, IA 51103

Bank of America
818 W. 7th Street
Sioux City, IA 51103

Commercial Federal Bank
3401 Gordon Drive
Sioux City, IA 51101

First American Bank
800 Gordon Drive
Sioux City, IA 51101

First National Bank
600 Pierce Street
Sioux City, IA 51101

Liberty National Bank
4425 Singing Hills Boulevard
Sioux City, IA 51106

Sioux City Heritage Bank NA
4530 Singing Hills Boulevard
Sioux City, IA 51106

Central Bank
522 4th Street
Sioux City, IA 51101

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Sioux City Community School District

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sioux City
Community School District,
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl
President

Jeffrey L. Esser
Executive Director



KING, REINSCH, PROSSER & CO., L.L.P.
Certified Public Accountants

Member Private Companies Practice Section of AICPA

522 4TH STREET, SUITE 200
SIOUX CITY, IA 51101-1620
(712) 258-5550
FAX (712) 277-6705

INDEPENDENT AUDITORS' REPORT

To the Board Education
Sioux City Community School District
Sioux City, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Sioux City Community School District (the District), Sioux City, Iowa, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Sioux City Community School District as of June 30, 2005, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2005 on our consideration of the Sioux City Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



KING, REINSCH, PROSSER & CO., L.L.P.
Certified Public Accountants

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 14 and 44 through 46 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other financial information, statistical information, individual nonmajor fund financial statement, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also not a required part of the basic financial statements. The individual nonmajor fund financial statement and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, other financial information, and statistical information 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.

King, Reinsch, Prosser & Co., L.L.P.

Sioux City, Iowa
October 28, 2005

SIoux CITY COMMUNITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Sioux City Community School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2005. The analysis focuses on the District's financial performance as a whole. Please read this analysis in conjunction with the transmittal letter at the front of the report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial condition improved in Fiscal Year 2005 as well as in Fiscal Year 2004. Total net assets increased by \$12.3 million or by 18.7%. Total revenues increased from \$123.1 million to \$131.1 million, an increase of 6.5%, mainly additional state aid, property taxes and interest income. Total expenses increased from \$113.6 million to \$118.8 million, an increase of 4.6%, largely driven by additional salaries and benefits. The General Fund balance increased by \$233,288 from \$9.7 million to \$10 million.
- Since 2002 the District has built three new middle schools. During Fiscal Year 2005, construction of a new 88,000 square foot elementary school was started to replace a school built in 1886. Two more elementary schools are in the planning stage. Modernization of our school infrastructure is a high priority. The funding source is the School Infrastructure Local Option Sales Tax adopted by our taxpayers in 1998, and in August 2005 extended an additional ten years to 2018.
- During Fiscal Year 2005 the District's total property tax levies increased from \$29.4 million to \$30.4 million or 3.0%. The District's total tax rate increased from \$16.15 per thousand dollars of assessed valuation in Fiscal Year 2004 to \$17.02 in Fiscal Year 2005, with the cash reserve levy increasing from \$3 million in Fiscal Year 2004 to \$4.1 million in Fiscal Year 2005.
- Interest income increased from \$606 thousand in Fiscal Year 2004 to \$995 thousand in Fiscal Year 2005 or 64%.
- The District's self-insured Health Insurance Internal Service Fund generated operating income of \$1.6 million in Fiscal Year 2005. In Fiscal Year 2004, the operating income was \$1.1 million. Significant premium increases and plan design changes, as well as changing to a new preferred provider organization, combined to improve the fund's financial condition. The fund had net assets of negative \$1.1 million in Fiscal Year 2003. At the end of Fiscal Year 2004, the fund balance deficit had been eliminated and in 2005 much needed reserves were added.
- The Statement of Net Assets indicates unrestricted net assets of \$4.3 million. At the end of Fiscal Year 2004 the District had unrestricted net assets of \$886 thousand. In 1993 the District had a General Fund deficit balance of over \$8 million. The District issued \$12.6 million of refunding bonds to negate this deficit and create a cash reserve of \$4 million. Funding operating deficits with debt leaves an unrestricted deficit until the debt is paid off or until operating surpluses cover the deficit. Since 1993 the District has focused on being financially responsible with its resources. The District's General Fund solvency ratio was 7.5% at the end of Fiscal Year 2005, down slightly from 7.96% at the end of fiscal year 2004.

Overview of the Financial Statements

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

- The first two statements are *Government-wide financial statements* (Statement of Net Assets and Statement of Activities) that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations *in more detail* than the Government-wide statements.
 - The *governmental funds* statements tell how *basic* services like regular and special education were financed in the *short term* as well as what remains for future spending.
 - *Proprietary funds* statements offer *short-term and long-term* financial information about the activities the District operates *like businesses*, such as food services, student home construction and the stadium.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

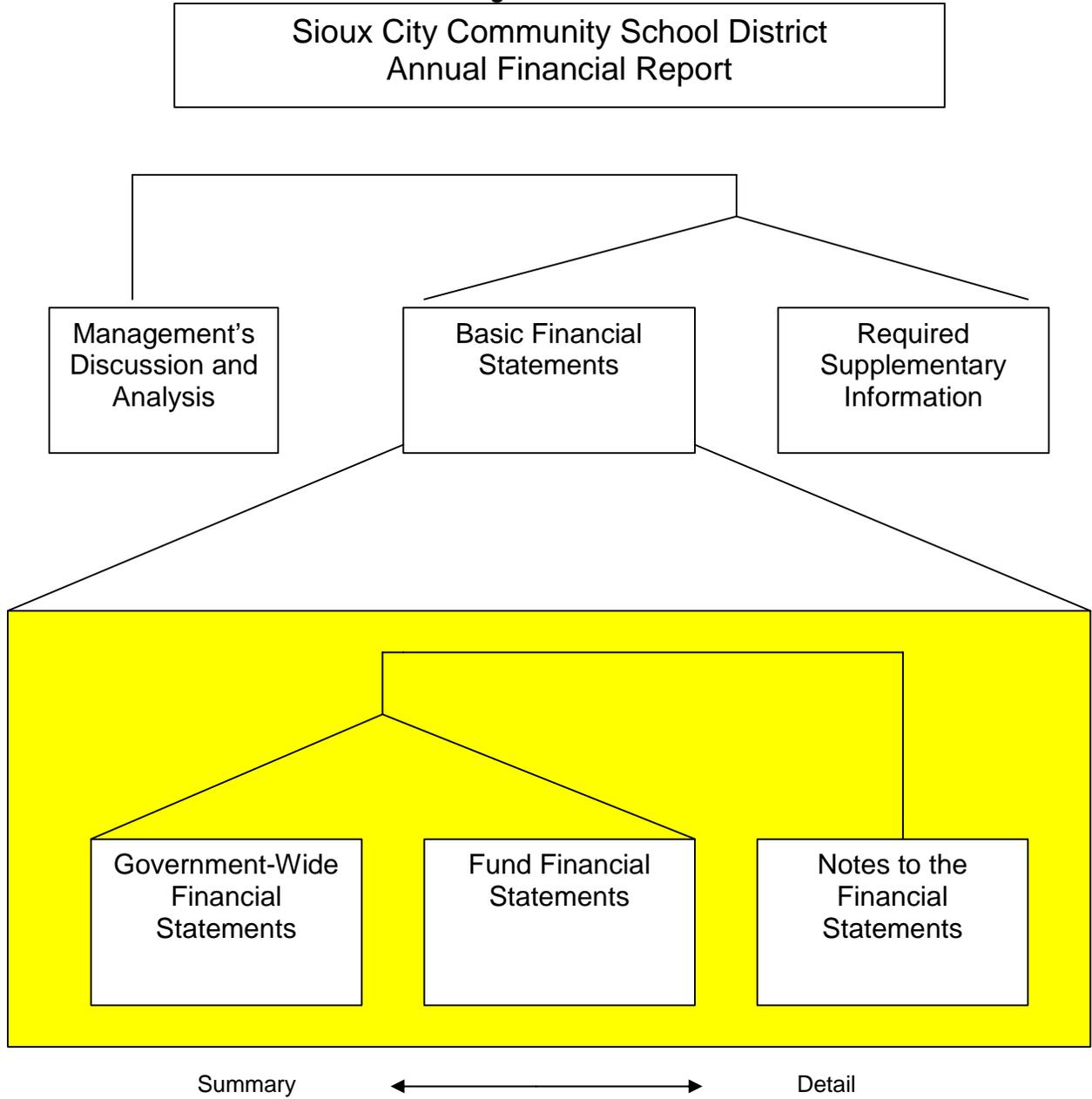


Figure A-2 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents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

Figure A-2 Major Features of Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary 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 is included here
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • 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 assets • Statement of cash flows • Statement of revenues, expenses and changes in fund net assets.
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
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 and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Government-Wide Statements

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

The two Government-wide statements report the District's *net assets* and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or *position*.

Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.
- *Business-type activities* - The District charges fees to help it cover the costs of certain services it provides. The District's food service program, stadium and student built home construction activities are included here.

Fund Financial Statements

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

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

The District has two kinds of funds:

- *Governmental funds* - Most of the District's basic services are included in governmental funds, which generally focus on (1) *how cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, we provide additional information with the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements.
 - The District's three *enterprise funds*, School Nutrition, Stadium Fund and Student Home Construction, are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
 - Internal *service funds* are used to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund - the medical self-insurance fund.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-1 below provides a summary of the District's net assets as of June 30, 2005 and 2004.

Table A-1
Condensed Statement of Net Assets

	Governmental Activities		Business Type Activities		Total School District		Total Percentage Change 2004-2005
	2004	2005	2004	2005	2004	2005	
Current and other assets	\$ 73,397,545	\$ 83,913,994	\$ 1,528,543	\$ 1,739,569	\$ 74,926,088	\$ 85,653,563	14.3%
Capital assets	<u>75,155,360</u>	<u>81,041,264</u>	<u>401,040</u>	<u>524,491</u>	<u>75,556,400</u>	<u>81,565,755</u>	8.0%
Total assets	\$ 148,552,905	\$ 164,955,258	\$ 1,929,583	\$ 2,264,060	\$ 150,482,488	\$ 167,219,318	11.1%
Long-term debt outstanding	30,449,074	34,006,742	-	-	30,449,074	34,006,742	11.7%
Other liabilities	<u>54,143,366</u>	<u>55,066,297</u>	<u>100,022</u>	<u>58,997</u>	<u>54,243,388</u>	<u>55,125,294</u>	1.6%
Total liabilities	\$ 84,592,440	\$ 89,073,039	\$ 100,022	\$ 58,997	\$ 84,692,462	\$ 89,132,036	5.2%
Net Assets:							
Invested in capital assets, net of related debt	51,211,286	52,714,522	401,040	524,491	51,612,326	53,239,013	3.2%
Restricted	13,291,636	20,590,354	-	-	13,291,636	20,590,354	54.9%
Unrestricted	<u>(542,457)</u>	<u>2,577,343</u>	<u>1,428,521</u>	<u>1,680,572</u>	<u>886,064</u>	<u>4,257,915</u>	(380.5)%
Total Net Assets	\$ <u>63,960,465</u>	\$ <u>75,882,219</u>	\$ <u>1,829,561</u>	\$ <u>2,205,063</u>	\$ <u>65,790,026</u>	\$ <u>78,087,282</u>	18.7%

The District's combined net assets increased by 18.7% from \$65.8 million to \$78.1 million, an increase of \$12.3 million. The District's governmental activities account for the majority of the improvement in financial position. The net assets from governmental activities increased by \$11.9 million. Unrestricted net deficit from governmental activities decreased from (\$0.5) million to a net surplus of \$2.6 million.

The net assets of the District's business type activities increased by \$376 thousand. The net assets of the Nutrition Fund increased by \$335 thousand. Efficiencies in operations and increased Federal reimbursements account for this increase. The net assets of the Stadium Fund decreased by \$16 thousand, mainly due to a \$21,000 distribution to the Student Activity Funds of the three high schools.

The major factor in the District's improved financial position is that the various sources of tax revenue, grants and charges for services exceeded expenses. The 1% Local Option Sales Tax funding has been especially beneficial to the District. The \$9.2 million received in Fiscal Year 2004 and the \$9.3 million received in Fiscal Year 2005 is almost exclusively used for capital projects, which are expensed as depreciation over many years on the statement of activities.

Cash and certificate of deposit type investments total \$47.4 million for Fiscal Year 2005 compared to \$38.5 million for Fiscal Year 2004. \$17.9 million of these cash balances are needed to fund the District's operations in July, August and September before the first state aid and property tax payments are received by the District in the next Fiscal Year. \$9.4 million is dedicated to current and future capital projects.

U.S. Generally Accepted Accounting Principles (GAAP) requires that the property taxes which are certified in April (the lien date) for the upcoming Fiscal Year be accrued as a receivable and also be shown as unearned revenue. The future tax receivable and corresponding unearned revenue amount is \$31.9 million for Fiscal Year 2005 and \$30.5 million for Fiscal Year 2004.

CHANGES IN NET ASSETS

Table A-2 compares the changes in net assets from operating results for Fiscal Years 2004 and 2005.

**Table A-2
Changes in Net Assets**

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total School District</u>		<u>Total Percentage Change 2004-2005</u>
	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	
Revenues:							
Program revenues:							
Charges for services	\$ 5,115,387	\$ 4,766,017	\$ 1,615,684	\$ 1,808,580	\$ 6,731,071	\$ 6,574,597	(2.3)%
Operating grants and contributions	16,110,257	17,441,207	2,651,355	2,965,490	18,761,612	20,406,697	8.8%
General revenues:							
Property taxes	29,419,291	30,295,783	-	-	29,419,291	30,295,783	3.0%
Local option sales taxes	9,227,125	9,343,994	-	-	9,227,125	9,343,994	1.3%
Other taxes	2,716,725	2,865,472	-	-	2,716,725	2,865,472	5.5%
State aid	55,751,752	59,109,639	-	-	55,751,752	59,109,639	6.0%
Other	695,994	2,329,068	(234,481)	142,379	461,513	2,471,447	435.5%
Total revenues	<u>\$ 119,036,531</u>	<u>\$ 126,151,180</u>	<u>\$ 4,032,558</u>	<u>\$ 4,916,449</u>	<u>\$ 123,069,089</u>	<u>\$ 131,067,629</u>	<u>6.5%</u>
Expenses:							
Instruction	\$ 77,915,645	\$ 79,926,672	\$ -	\$ -	\$ 77,915,645	\$ 79,926,672	2.6%
Pupil & instructional support services	4,983,887	5,703,833	-	-	4,983,887	5,703,833	14.4%
Administrative & business	9,102,230	9,346,265	-	-	9,102,230	9,346,265	2.7%
Maintenance & operations	8,115,235	8,840,172	-	-	8,115,235	8,840,172	8.9%
Transportation	1,415,513	2,153,485	-	-	1,415,513	2,153,485	52.1%
Other	7,993,863	8,258,999	4,070,892	4,540,947	12,064,755	12,799,946	6.1%
Total expenses	<u>\$ 109,526,373</u>	<u>\$ 114,229,426</u>	<u>\$ 4,070,892</u>	<u>\$ 4,540,947</u>	<u>\$ 113,597,265</u>	<u>\$ 118,770,373</u>	<u>4.6%</u>
Change in net assets	\$ 9,510,158	\$ 11,921,754	\$ (38,334)	\$ 375,502	\$ 9,471,824	\$ 12,297,256	<u>29.8%</u>
Net assets - beginning as restated	<u>54,450,307</u>	<u>63,960,465</u>	<u>1,867,895</u>	<u>1,829,561</u>	<u>56,318,202</u>	<u>65,790,026</u>	
Net assets - ending	<u>\$ 63,960,465</u>	<u>\$ 75,882,219</u>	<u>\$ 1,829,561</u>	<u>\$ 2,205,063</u>	<u>\$ 65,790,026</u>	<u>\$ 78,087,282</u>	

In Fiscal Year 2005 state aid accounted for 47.0% of revenues from Governmental Activities as compared to 46.8% for Fiscal Year 2004. Property taxes in Fiscal Year 2005 accounted for 24.0% of revenues from Governmental Activities compared to 24.7% in Fiscal Year 2004. State aid and property taxes provide 70.9% of the funding for governmental activities in Fiscal Year 2005 and 71.6% in Fiscal Year 2004. Charges for services account for 36.8% of the total revenues for business type activities in Fiscal Year 2005 compared to 40.1% in Fiscal Year 2004. Operating grants and contributions account for 60.3% of the total business type activities revenue for Fiscal Year 2005 and 65.7% for Fiscal Year 2004. Figure A-3 graphically depicts the revenue for Fiscal Year 2004 and Fiscal Year 2005.

District revenues for Fiscal Year 2005 totaled \$131.1 million compared to \$123.1 million in Fiscal Year 2004. Increased state aid, (\$3.4 million), property taxes (\$0.9 million), Federal Grants for infrastructure, instruction and nutrition (\$1.5 million), interest income (\$0.3 million), donations of athletic infrastructure (\$0.7 million) accounted for most of the change. 96.2% of total District revenue was from governmental activities in Fiscal Year 2005 and 96.7% in Fiscal Year 2004.

District expenses for Fiscal Year 2005 totaled \$118.8 million as compared to \$113.6 million in Fiscal Year 2004. Salary and benefit expense increases, liability insurance increases and increased operations and maintenance repair activities and utility expenses accounted for much of the change. The opening of a new middle school required increased student busing and transportation costs went up.

96.2% of the total expenses were from governmental activities in Fiscal Year 2005 and 96.4% in Fiscal Year 2004. The District's predominant expenses are related to instruction (67.3% in Fiscal Year 2005 and 68.6% in Fiscal Year 2004). Instruction expenses and pupil and instructional support services total 72.1% of total District expenses in Fiscal Year 2005 and 73.0% in Fiscal Year 2004. Other expenses account for the next largest percentage of expenses at 10.8% for Fiscal Year 2005 and 10.6% for Fiscal Year 2004. Other expenses are comprised primarily of food service expenses and AEA flow through. Figure A-4 graphically depicts the expense for Fiscal Year 2004 and Fiscal Year 2005.

Figure A – 3

TOTAL DISTRICT REVENUE - FY2004 AND FY2005 (In millions)

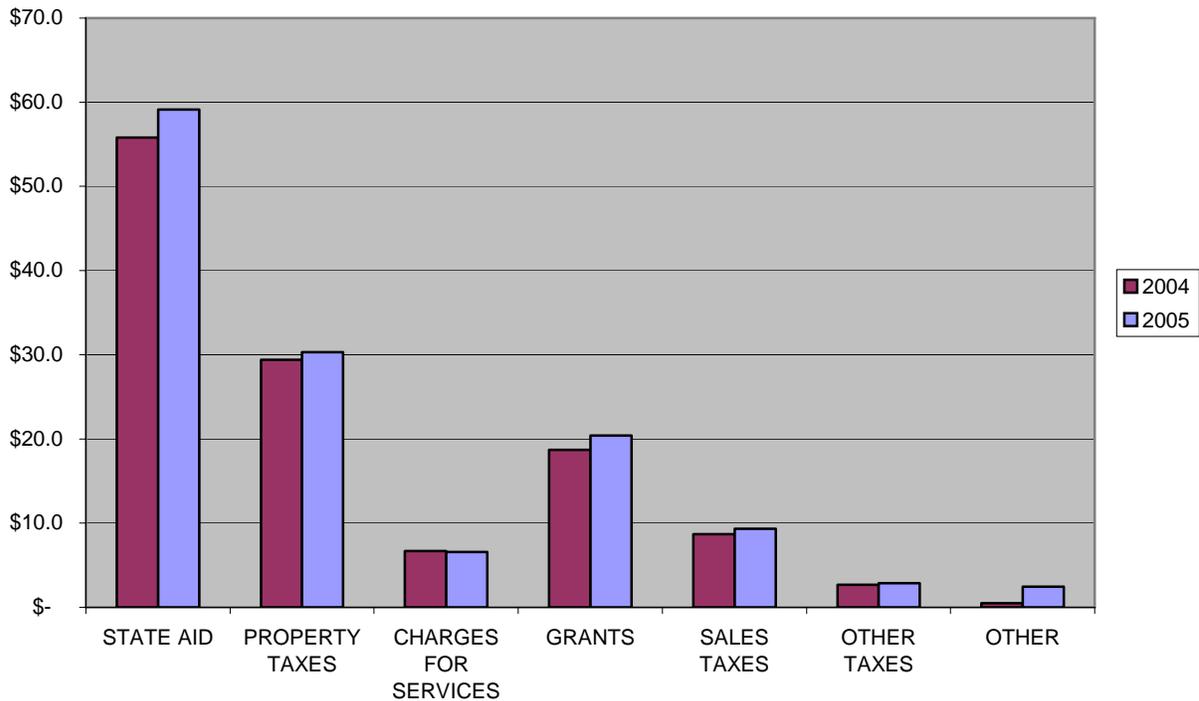
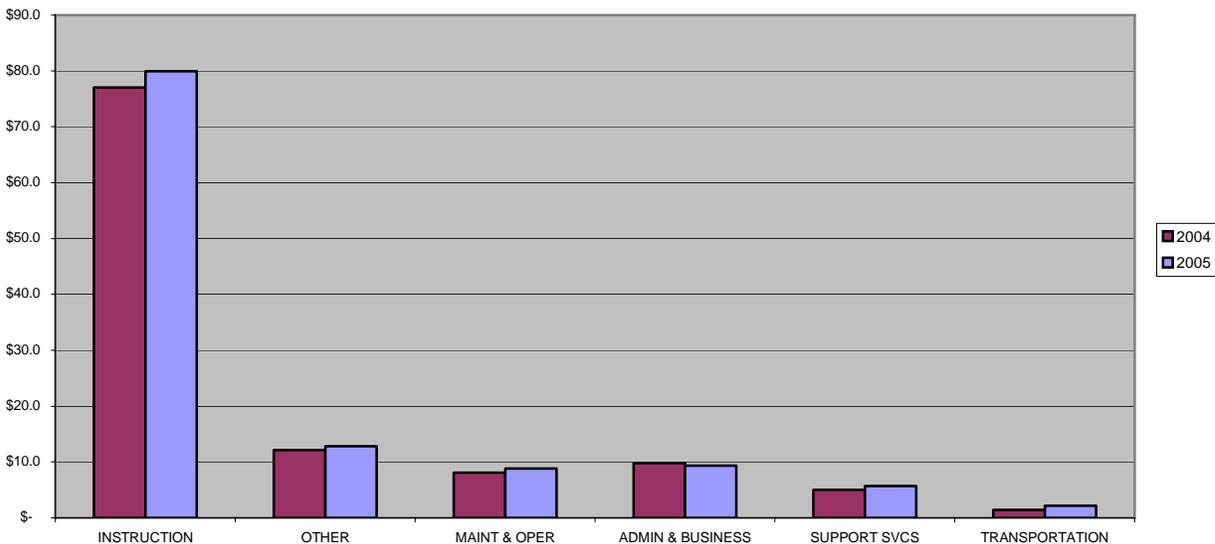


Figure A – 4

TOTAL DISTRICT EXPENSES - FY2004 AND FY2005 (In millions)



GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$126.2 million and governmental expenses were \$114.2 million. With minimal allowable growth the District reduced expenditures to correspond with available revenues. In addition, the Local Option Sales Tax revenue of \$9.3 million contributed greatly to the increase in net assets. A significant portion of the sales tax capital project expenditures were capital assets and were therefore not expensed on the statement of activities. Capital assets are depreciated over their useful lives over multiple years on the statement of activities.

Table A-3 represents the cost of the 6 major District activities for both Fiscal Year 2005 and Fiscal Year 2004. These six activities, or functions, are instruction, pupil and instructional support services, administration and business, maintenance and operations, transportation and other. The table also shows each activities net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost is useful because it shows the financial burden placed on the District's taxpayers by each of these activities.

- The cost of all governmental activities for Fiscal Year 2005 was \$114.2 million as compared to \$109.5 million for Fiscal Year 2004.
- In Fiscal Year 2005, \$4.8 million was financed by users of the District as compared to \$5.1 million in Fiscal Year 2004.
- In Fiscal Year 2005 the Federal and State government subsidized certain programs with grants and contributions of \$17.4 million as compared to \$16.1 million in Fiscal Year 2004.
- Most of the District's net cost of governmental activities (\$92.0 million in Fiscal Year 2005 and \$88.3 million in Fiscal Year 2004) was financed by District and state taxpayers, i.e. \$30.3 million of property taxes, \$59.1 million of unrestricted state aid, \$9.3 million of local option sales taxes, \$2.9 million of income surtaxes, and \$1.0 million of interest income.

**Table A-3
Net Cost of Governmental Activities**

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	<u>2004</u>	<u>2005</u>	<u>Change</u> <u>2004-2005</u>	<u>2004</u>	<u>2005</u>	<u>Change</u> <u>2004-2005</u>
Expenses:						
Instruction	\$ 77,915,645	\$ 79,926,672	2.6%	\$ 61,538,767	\$ 63,583,359	3.3%
Pupil & instructional support services	4,983,887	5,703,833	14.4%	4,712,892	4,576,685	(2.9)%
Administrative & business	9,102,230	9,346,265	2.7%	9,102,230	9,346,265	2.7%
Maintenance & operations	8,115,235	8,840,172	8.9%	8,115,235	8,840,172	8.9%
Transportation	1,415,513	2,153,485	52.1%	1,110,369	1,828,645	64.7%
Other	<u>7,993,863</u>	<u>8,258,999</u>	<u>3.3%</u>	<u>3,721,236</u>	<u>3,847,076</u>	<u>3.4%</u>
Total expenses	<u>\$ 109,526,373</u>	<u>\$ 114,229,426</u>	<u>4.3%</u>	<u>\$ 88,300,729</u>	<u>\$ 92,022,202</u>	<u>4.2%</u>

BUSINESS TYPE ACTIVITIES

Revenues of the District's business type activities (Food and Nutrition Services, Stadium Fund activities and Student Home Construction activities) were comprised of charges for services, federal and state contributions, investment earnings, and miscellaneous contributions.

- Business type activities revenues exceeded expenses by \$375,502 in Fiscal Year 2005. Business type activities expenses exceeded revenues by \$38,334 in Fiscal Year 2004.
- Charges for services represent \$1.8 million or 36.8% of total business type activity revenues. This is predominantly the amount paid by students and staff for daily breakfasts and lunches.

- Federal and state reimbursement for meals was \$3 million or 60.3% of total business type activity revenue.
- Food service cash sales increased by \$87,527 or 5.8% from Fiscal Year 2004. This increase was created by increased student participation because lunch prices were not increased. Food Services federal and state reimbursement increased by \$314,135 or 11.8% from the previous Fiscal Year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the end of Fiscal Year 2005, the District's governmental combined fund balances totaled \$29.9 million, an increase of \$7.7 million or 34.4%. The principle reason for this increase stems from the capital project fund bond financing. On the fund financial statements, bond proceeds are an other financing source which increases the fund balance. The debt proceeds were \$8.5 million made up of a Sales Tax Revenue Bond of \$7 million and a \$1.5 million energy note.

The General Fund, which is the chief operating fund of the District, had a net increase in fund balance of \$233,288. The Management Fund, PPEL Fund, and Capital Projects Fund also had increases in fund balances.

BUDGETARY HIGHLIGHTS

The District certifies the budget in April for the following Fiscal Year which begins on July 1 and ends on June 30 of that following year. The state allows districts to amend their budget by May 31 of the budget year.

The District amended its budget in conformity with statutory provisions in May 2005. The budget was increased to account for the anticipated expenditure of grant revenues which were not anticipated at the time of budget certification and also to allow for increased construction activities in the Capital Projects Fund.

A schedule showing the original and amended budget amounts compared to actual results is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of the end of Fiscal Year 2005, the District had invested over \$130.7 million in capital assets (\$81.6 million net of depreciation). This is a net increase of 8%. During Fiscal Year 2005, \$10.8 of new capital assets were added and annual depreciation totaled \$4.6. (More detailed information can be found in Note 3 to the Financial Statements).

In Fiscal Year 2002, the District completed construction of two new middle schools and in Fiscal Year 2004 work was completed on a third new middle school, North Middle School. In Fiscal 2005 construction began on the new 88,000 square foot, \$11.0 million, Irving Elementary School. This will be the first new elementary school built in the District in thirty-seven years. The District's elementary school buildings average more than 85 years old. Elementary school construction needs abound. Until new schools can be built, capitalizable repairs and retrofits need to be made. This year electrical retrofits, boiler repair and building remodeling was accomplished. A major \$3.4 million heating, ventilation and air conditioning retrofit was started at one of the high schools. Strategic land acquisitions to support future construction were also made.

Table A-4 summarizes the capital assets of the District at Fiscal Year End 2004 and 2005.

**Table A-4
Capital Assets**

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total School District</u>		<u>Total</u>
	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>Percentage Change 2004-2005</u>
Land and site improvement	\$ 9,045,392	\$ 10,231,383	\$ -	\$ -	\$ 9,045,392	\$ 10,231,383	13.1%
Buildings	78,100,246	78,059,262	148,374	148,374	78,248,620	78,207,636	(0.1)%
Equipment and furniture	31,915,282	34,214,792	1,455,540	1,634,219	33,370,822	35,849,011	7.4%
Construction in progress	<u>666,820</u>	<u>6,402,638</u>	<u>-</u>	<u>-</u>	<u>666,820</u>	<u>6,402,638</u>	<u>860.2%</u>
Total	\$ 119,727,740	\$ 128,908,075	\$ 1,603,914	\$ 1,782,593	\$ 121,331,654	\$ 130,690,668	7.7%
Less accumulated depreciation	<u>(44,572,380)</u>	<u>(47,866,811)</u>	<u>(1,202,874)</u>	<u>(1,258,102)</u>	<u>(45,775,254)</u>	<u>(49,124,913)</u>	<u>7.3%</u>
Total net assets	<u>\$ 75,155,360</u>	<u>\$ 81,041,264</u>	<u>\$ 401,040</u>	<u>\$ 524,491</u>	<u>\$ 75,556,400</u>	<u>\$ 81,565,755</u>	<u>8.0%</u>

Long-Term Debt

As of Fiscal Year end 2005, the District had \$37.3 million in General Obligation and Revenue bonds and other long term outstanding obligations. This represents a net increase of \$3.6 million from Fiscal Year 2004. During Fiscal Year 2005, \$7.0 million of Sales Tax Revenue Bonds were issued to help build the new Irving Elementary School, and \$1.5 million of Energy Notes were issued to assist in the \$3.4 million retro fit of the North High School HVAC system. Table A-5 summarizes the District's Long-Term Debt for Fiscal Years 2004 and 2005. (More detailed information about the District's Long-Term Liabilities is presented in Note 4 to the Financial Statements).

**Table A-5
District's Outstanding Long-Term Liabilities**

	<u>Total School District</u>		<u>Percentage</u>
	<u>2004</u>	<u>2005</u>	<u>Change</u>
General Obligation Bonds, Notes and Liabilities *	\$ 11,841,090	\$ 12,251,124	3.5%
Revenue Bonds **	<u>21,825,000</u>	<u>25,020,000</u>	<u>14.6%</u>
Total	<u>\$ 33,666,090</u>	<u>\$ 37,271,124</u>	<u>10.7%</u>

* Financed by property taxes

** Financed by sales taxes

Bond Ratings

The District was very pleased to receive an A1 General Obligation Bond rating from Moody's in Fiscal Year 2002. During Fiscal Year 2005, Standard and Poor's affirmed the A rating on outstanding Revenue Bonds.

Limitation on Debt

The state limits the amount of General Obligation debt the District can issue to 5% of the assessed value of all taxable property within the District's corporate limits. The District's \$8.9 million of outstanding General Obligation Bonded debt is significantly below the current limit of \$151.6 million.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The voters of Woodbury County passed a 10-year extension of the local option 1% sales tax in August 2005. This extends the local option sales tax until September 30, 2018, which will allow for the continued upgrading of the District's facilities.
- Each year the Iowa Legislature provides for growth in the Iowa School Foundation Funding Formula. Fiscal Years 2002 through 2005 experienced net annual allowable growth of 2% or less. Fiscal Years 2006 and 2007 are currently targeted at 4% allowable growth. Continued growth in school funding at the 4% or greater level will be needed to meet the education challenges of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact William K. Stoneburg, Chief Financial Officer, Sioux City Community School District, 1221 Pierce Street, Sioux City, Iowa, 51105.

BASIC FINANCIAL STATEMENTS

SIoux CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2005

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Current assets:			
Cash and pooled investments	\$ 46,073,333	\$ 1,297,753	\$ 47,371,086
Receivables:			
Property tax	546,324	-	546,324
Future property tax	31,885,170	-	31,885,170
Accrued interest	24,204	-	24,204
Accounts	663,690	-	663,690
Internal balances	(64,792)	64,792	-
Due from other governmental agencies	4,786,065	16,140	4,802,205
Inventories	-	360,884	360,884
Total current assets	<u>\$ 83,913,994</u>	<u>\$ 1,739,569</u>	<u>\$ 85,653,563</u>
Noncurrent assets:			
Land and construction in progress	\$ 11,930,399	\$ -	\$ 11,930,399
Property and equipment, net of accumulated depreciation	69,110,865	524,491	69,635,356
Total noncurrent assets	<u>\$ 81,041,264</u>	<u>\$ 524,491</u>	<u>\$ 81,565,755</u>
 Total assets	 <u>\$ 164,955,258</u>	 <u>\$ 2,264,060</u>	 <u>\$ 167,219,318</u>
 <u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 7,340,960	\$ 39,581	\$ 7,380,541
Unearned revenue	33,315,604	-	33,315,604
Accrued wages	8,612,680	19,416	8,632,096
Self insurance claim	1,923,857	-	1,923,857
Accrued interest payable	264,897	-	264,897
Compensated absences	343,917	-	343,917
Liability for early retirement due within one year	763,200	-	763,200
Long-term debt due within one year	5,251,622	-	5,251,622
Total current liabilities	<u>\$ 57,816,737</u>	<u>\$ 58,997</u>	<u>\$ 57,875,734</u>
Noncurrent liabilities:			
Liability for early retirement due in more than one year	\$ 2,501,182	\$ -	\$ 2,501,182
Long-term debt due in more than one year	28,755,120	-	28,755,120
Total noncurrent liabilities	<u>\$ 31,256,302</u>	<u>\$ -</u>	<u>\$ 31,256,302</u>
 Total liabilities	 <u>\$ 89,073,039</u>	 <u>\$ 58,997</u>	 <u>\$ 89,132,036</u>
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 52,714,522	\$ 524,491	\$ 53,239,013
Restricted for:			
State Teacher Salary Improvement	3,293	-	3,293
State Teacher Mentor	3,404	-	3,404
Educational Excellence - Phase III	25,079	-	25,079
Talented and Gifted	380,562	-	380,562
Early Childhood	54,570	-	54,570
Debt service	53,351	-	53,351
Student activities	431,181	-	431,181
Specific property tax levies	3,396,195	-	3,396,195
Capital projects	16,242,719	-	16,242,719
Unrestricted	2,577,343	1,680,572	4,257,915
Total net assets	<u>\$ 75,882,219</u>	<u>\$ 2,205,063</u>	<u>\$ 78,087,282</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
Instruction:			
Regular	\$ 53,639,479	\$ 2,584,808	\$ 7,798,612
Special programs	20,686,406	915,162	3,894,015
Vocational	2,826,692	-	-
Co-curricular	2,518,117	1,125,123	-
Nonpublic	255,978	-	25,593
Support Services:			
Guidance	2,324,162	-	-
Health	477,952	-	-
Other student support	612,311	-	-
Improvement of instruction	929,425	-	1,127,148
Educational media	1,359,983	-	-
Board of education	445,177	-	-
Executive administration	604,315	-	-
School administration	6,183,165	-	-
Business administration	2,113,608	-	-
Operations and maintenance	8,840,172	-	-
Student transportation	2,153,485	140,924	183,916
Central support	937,526	-	200,747
Technology	1,975,783	-	-
Debt Service:			
Interest	1,134,514	-	-
Intergovernmental:			
AEA flow through	4,211,176	-	4,211,176
Total governmental activities	<u>\$ 114,229,426</u>	<u>\$ 4,766,017</u>	<u>\$ 17,441,207</u>
Business type activities:			
School Nutrition Fund	\$ 4,315,580	\$ 1,608,033	\$ 2,965,490
Home Construction Fund	113,044	116,928	-
Stadium Fund	112,323	83,619	-
Total business type activities	<u>\$ 4,540,947</u>	<u>\$ 1,808,580</u>	<u>\$ 2,965,490</u>
Total school district	<u>\$ 118,770,373</u>	<u>\$ 6,574,597</u>	<u>\$ 20,406,697</u>
General revenues:			
Property taxes			
Income surtaxes			
Local option sales taxes			
Interest			
State aid not restricted to specific programs			
Donated capital assets			
Miscellaneous			
Gain on sale of assets			
Total general revenues			
Change in net assets			
Net assets - beginning			
Net assets - ending			

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental</u>	<u>Business</u>	<u>Total</u>
<u>Activities</u>	<u>Type Activities</u>	
\$ (43,256,059)	\$ -	\$ (43,256,059)
(15,877,229)	-	(15,877,229)
(2,826,692)	-	(2,826,692)
(1,392,994)	-	(1,392,994)
(230,385)	-	(230,385)
(2,324,162)	-	(2,324,162)
(477,952)	-	(477,952)
(612,311)	-	(612,311)
197,723	-	197,723
(1,359,983)	-	(1,359,983)
(445,177)	-	(445,177)
(604,315)	-	(604,315)
(6,183,165)	-	(6,183,165)
(2,113,608)	-	(2,113,608)
(8,840,172)	-	(8,840,172)
(1,828,645)	-	(1,828,645)
(736,779)	-	(736,779)
(1,975,783)	-	(1,975,783)
(1,134,514)	-	(1,134,514)
-	-	-
<u>\$ (92,022,202)</u>	<u>\$ -</u>	<u>\$ (92,022,202)</u>
\$ -	\$ 257,943	\$ 257,943
-	3,884	3,884
-	(28,704)	(28,704)
<u>\$ -</u>	<u>\$ 233,123</u>	<u>\$ 233,123</u>
<u>\$ (92,022,202)</u>	<u>\$ 233,123</u>	<u>\$ (91,789,079)</u>
\$ 30,295,783	\$ -	\$ 30,295,783
2,865,472	-	2,865,472
9,343,994	-	9,343,994
962,935	32,583	995,518
59,109,639	-	59,109,639
720,417	-	720,417
645,716	106,746	752,462
-	3,050	3,050
<u>\$ 103,943,956</u>	<u>\$ 142,379</u>	<u>\$ 104,086,335</u>
11,921,754	375,502	12,297,256
<u>63,960,465</u>	<u>1,829,561</u>	<u>65,790,026</u>
<u>\$ 75,882,219</u>	<u>\$ 2,205,063</u>	<u>\$ 78,087,282</u>

SIoux CITY COMMUNITY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2005

	<u>General</u>	<u>Management Fund</u>
<u>ASSETS</u>		
Cash and pooled investments	\$ 22,430,635	\$ 2,820,044
Receivables:		
Property tax	482,898	34,379
Future property tax	28,451,382	1,699,997
Accrued interest	-	-
Accounts	61,697	-
Interfund balance	317,751	-
Due from other governmental agencies	<u>2,446,458</u>	<u>-</u>
Total assets	<u>\$ 54,190,821</u>	<u>\$ 4,554,420</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Accounts payable and accrued liabilities	\$ 5,216,902	\$ 25,372
Interfund balance	504,433	-
Unearned revenue	29,881,816	1,699,997
Accrued wages	<u>8,612,680</u>	<u>-</u>
Total liabilities	<u>\$ 44,215,831</u>	<u>\$ 1,725,369</u>
Fund balances:		
Reserved	\$ 466,908	\$ -
Unreserved:		
Designated:		
Building and programs	1,308,585	-
Insurance claims	-	375,000
Undesignated:		
General Fund	8,199,497	-
Special Revenue Fund	-	2,454,051
Capital Project Fund	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 9,974,990</u>	<u>\$ 2,829,051</u>
Total liabilities and fund balances	<u>\$ 54,190,821</u>	<u>\$ 4,554,420</u>

Amounts reported for governmental activities in the statement of net assets are different because:

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

Accrued Interest on long-term debt not reported on the modified accrual basis of accounting.

The internal service fund is used by management to charge the costs of self-insured health insurance to individual funds.

Assets and liabilities of the internal service fund of \$1,617,911 are included in governmental activities in the statement of net assets, net of \$66,495 allocated to business-type activities.

Accrued expenses from the statement of net assets that are not reported on the modified accrual basis fund balance sheets.

Receivables from the statement of net assets that are not reported on the modified accrual basis fund balance sheets.

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Net assets of governmental activities

<u>PPEL Fund</u>	<u>Capital Project</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,510,510	\$ 16,183,633	\$ 35,374	\$ 563,000	\$ 43,543,196
11,070	-	17,977	-	546,324
663,056	-	1,070,735	-	31,885,170
-	24,204	-	-	24,204
-	27	-	-	61,724
1,900	1,863,222	-	9,892	2,192,765
-	1,767,593	-	-	4,214,051
<u>\$ 2,186,536</u>	<u>\$ 19,838,679</u>	<u>\$ 1,124,086</u>	<u>\$ 572,892</u>	<u>\$ 82,467,434</u>
\$ 219,436	\$ 2,666,074	\$ -	\$ 12,383	\$ 8,140,167
361,900	1,501,900	-	129,328	2,497,561
663,056	-	1,070,735	-	33,315,604
-	-	-	-	8,612,680
<u>\$ 1,244,392</u>	<u>\$ 4,167,974</u>	<u>\$ 1,070,735</u>	<u>\$ 141,711</u>	<u>\$ 52,566,012</u>
\$ -	\$ -	\$ 53,351	\$ -	\$ 520,259
-	-	-	-	1,308,585
-	-	-	-	375,000
-	-	-	-	8,199,497
942,144	-	-	431,181	3,827,376
-	15,670,705	-	-	15,670,705
<u>\$ 942,144</u>	<u>\$ 15,670,705</u>	<u>\$ 53,351</u>	<u>\$ 431,181</u>	<u>\$ 29,901,422</u>
<u>\$ 2,186,536</u>	<u>\$ 19,838,679</u>	<u>\$ 1,124,086</u>	<u>\$ 572,892</u>	
				81,041,264
				(264,897)
				1,551,416
				(3,608,299)
				1,268,055
				<u>(34,006,742)</u>
				<u>\$ 75,882,219</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2005

	<u>General</u>	<u>Management Fund</u>	<u>PPEL Fund</u>
Revenue:			
Local sources	\$ 34,112,518	\$ 1,960,788	\$ 821,939
State appropriations	67,505,113	1,523	494
Federal appropriations	<u>7,683,825</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 109,301,456</u>	<u>\$ 1,962,311</u>	<u>\$ 822,433</u>
Expenditures:			
Current:			
Instruction:			
Regular	\$ 50,637,899	\$ -	\$ -
Special programs	21,002,033	-	-
Vocational	2,867,393	-	-
Co-curricular	1,092,311	-	-
Nonpublic	257,706	-	-
Support services:			
Guidance	2,351,911	-	-
Health	482,769	-	-
Other student support	616,101	-	-
Improvement of instruction	925,871	-	-
Educational media	1,472,941	-	-
Board of education	415,960	43,310	-
Executive administration	609,678	-	-
School administration	6,289,701	-	-
Business administration	838,622	1,296,434	-
Operations and maintenance	9,156,126	-	109,826
Student transportation	2,511,787	-	-
Central support	993,934	-	-
Technology	2,028,914	-	-
Capital outlay:			
Site and site improvements	-	-	178,857
Buildings and improvements	-	-	526,790
Debt service:			
Principal	-	-	-
Interest	-	-	-
Intergovernmental:			
AEA flow through	<u>4,211,176</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 108,762,833</u>	<u>\$ 1,339,744</u>	<u>\$ 815,473</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 538,623</u>	<u>\$ 622,567</u>	<u>\$ 6,960</u>
Other financing sources (uses):			
Bond/note proceeds	\$ -	\$ -	\$ -
Transfers in	51,922	-	-
Transfers out	<u>(357,257)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ (305,335)</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 233,288	\$ 622,567	\$ 6,960
Fund balances - beginning of year	<u>9,741,702</u>	<u>2,206,484</u>	<u>935,184</u>
Fund balances - end of year	<u>\$ 9,974,990</u>	<u>\$ 2,829,051</u>	<u>\$ 942,144</u>

Capital Project	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 9,503,120	\$ 1,064,264	\$ 1,403,340	\$ 48,865,969
-	802	-	67,507,932
<u>718,228</u>	<u>-</u>	<u>-</u>	<u>8,402,053</u>
<u>\$ 10,221,348</u>	<u>\$ 1,065,066</u>	<u>\$ 1,403,340</u>	<u>\$ 124,775,954</u>
\$ -	\$ -	\$ -	\$ 50,637,899
-	-	-	21,002,033
-	-	-	2,867,393
-	-	1,493,038	2,585,349
-	-	-	257,706
-	-	-	2,351,911
-	-	-	482,769
-	-	-	616,101
-	-	-	925,871
-	-	-	1,472,941
-	-	-	459,270
-	-	-	609,678
-	-	-	6,289,701
1,078	-	-	2,136,134
-	-	17,859	9,283,811
-	-	-	2,511,787
-	-	-	993,934
-	-	-	2,028,914
917,640	-	-	1,096,497
6,183,591	-	-	6,710,381
-	4,940,111	-	4,940,111
(3,570)	1,108,228	-	1,104,658
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,211,176</u>
<u>\$ 7,098,739</u>	<u>\$ 6,048,339</u>	<u>\$ 1,510,897</u>	<u>\$ 125,576,025</u>
<u>\$ 3,122,609</u>	<u>\$ (4,983,273)</u>	<u>\$ (107,557)</u>	<u>\$ (800,071)</u>
\$ 8,500,000	\$ -	\$ -	\$ 8,500,000
-	4,977,851	-	5,029,773
<u>(4,667,740)</u>	<u>-</u>	<u>(51,922)</u>	<u>(5,076,919)</u>
<u>\$ 3,832,260</u>	<u>\$ 4,977,851</u>	<u>\$ (51,922)</u>	<u>\$ 8,452,854</u>
\$ 6,954,869	\$ (5,422)	\$ (159,479)	\$ 7,652,783
<u>8,715,836</u>	<u>58,773</u>	<u>590,660</u>	<u>22,248,639</u>
<u>\$ 15,670,705</u>	<u>\$ 53,351</u>	<u>\$ 431,181</u>	<u>\$ 29,901,422</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

Net change in fund balances - total governmental funds (page 21) \$ 7,652,783

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the statement of net assets and are allocated over their estimated useful files as depreciation expense in the statement of activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 9,636,880	
Depreciation expense	<u>(4,564,759)</u>	5,072,121

In the government-wide financial statements, only the loss on the sale of capital assets is reported. However, in the governmental fund financial statements, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold. (135,688)

Donated capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 720,417

Certain receivables not collected within 60 days of year end are not considered available revenue and are not recorded in the statement of net assets. 654,808

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 it is due. In the statement of activities interest expense is recognized as the interest accrues, regardless of when it is due. Accrued interest expense increased by \$29,856 from FY2004 to FY2005. (29,856)

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, as follows:

Early retirement	\$ (47,366)	
Compensated absences	<u>27,070</u>	(20,296)

Internal service funds are used by management to charge the costs of the self-insured health insurance program to the individual funds. Net income of the internal service fund of \$1,617,911 is reported with governmental activities, net of \$52,778 allocated to business-type activities. 1,565,133

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. Current year issues exceeded repayments, as follows:

Long-term liabilities issued	(8,500,000)	
Long-term liabilities principal payments	<u>4,942,332</u>	<u>(3,557,668)</u>

Change in net assets of governmental activities (page 17) \$ 11,921,754

See accompanying notes to the basic financial statements.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2005

	Business Type Activities			Total	Governmental
	School Nutrition Fund	Student Home Construction Fund	Stadium Fund	Business Type Activities	Internal Service Fund
<u>ASSETS</u>					
Current assets:					
Cash and pooled investments	\$ 1,220,740	\$ 32,517	\$ 44,496	\$ 1,297,753	\$ 2,530,137
Receivables:					
Other	16,140	-	-	16,140	854,979
Due from other fund	-	-	-	-	494,541
Inventory	<u>245,474</u>	<u>115,410</u>	<u>-</u>	<u>360,884</u>	<u>-</u>
Total current assets	\$ 1,482,354	\$ 147,927	\$ 44,496	\$ 1,674,777	\$ 3,879,657
Non-current assets:					
Machinery and equipment net of accumulated depreciation	<u>524,491</u>	<u>-</u>	<u>-</u>	<u>524,491</u>	<u>-</u>
Total assets	\$ <u>2,006,845</u>	\$ <u>147,927</u>	\$ <u>44,496</u>	\$ <u>2,199,268</u>	\$ <u>3,879,657</u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 36,508	\$ 3,073	\$ -	\$ 39,581	\$ 149,847
Due to other funds	1,322	59	322	1,703	188,042
Accrued wages	19,416	-	-	19,416	-
Self insurance claims payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,923,857</u>
Total current liabilities	\$ <u>57,246</u>	\$ <u>3,132</u>	\$ <u>322</u>	\$ <u>60,700</u>	\$ <u>2,261,746</u>
<u>NET ASSETS</u>					
Invested in capital assets	\$ 524,491	\$ -	\$ -	\$ 524,491	\$ -
Unrestricted	<u>1,425,108</u>	<u>144,795</u>	<u>44,174</u>	<u>1,614,077</u>	<u>1,617,911</u>
Total net assets	\$ <u>1,949,599</u>	\$ <u>144,795</u>	\$ <u>44,174</u>	\$ <u>2,138,568</u>	\$ <u>1,617,911</u>
Adjustment to reflect the consolidation of applicable internal service fund activities to enterprise funds				<u>66,495</u>	
NET ASSETS OF BUSINESS-TYPE ACTIVITIES				\$ <u>2,205,063</u>	

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Business Type Activities</u>			<u>Total Business Type Activities</u>	<u>Governmental</u>
	<u>School Nutrition Fund</u>	<u>Student Home Construction Fund</u>	<u>Stadium Fund</u>		<u>Internal Service Fund</u>
Operating revenues:					
Charges for services	\$ 1,608,033	\$ 116,928	\$ 83,619	\$ 1,808,580	\$ 12,141,721
Reimbursement from employees/insurance	-	-	-	-	1,391,934
Miscellaneous	<u>94,450</u>	<u>-</u>	<u>12,296</u>	<u>106,746</u>	<u>-</u>
Total operating revenue	\$ 1,702,483	\$ 116,928	\$ 95,915	\$ 1,915,326	\$ 13,533,655
Operating expenses:					
Non-instructional programs:					
Salaries	\$ 1,404,255	\$ -	\$ 9,228	\$ 1,413,483	\$ 47,490
Employee benefits	463,211	-	1,182	464,393	10,998,041
Supplies	2,150,557	46,892	17,695	2,215,144	1,541
Purchased services	160,954	52,266	84,218	297,438	915,818
Depreciation	65,080	-	-	65,080	-
Other	<u>124,301</u>	<u>13,886</u>	<u>-</u>	<u>138,187</u>	<u>-</u>
Total operating expenses	\$ 4,368,358	\$ 113,044	\$ 112,323	\$ 4,593,725	\$ 11,962,890
Operating income (loss)	\$ (2,665,875)	\$ 3,884	\$ (16,408)	\$ (2,678,399)	\$ 1,570,765
Non-operating revenues:					
Federal food commodities	\$ 290,200	\$ -	\$ -	\$ 290,200	\$ -
State appropriations	61,305	-	-	61,305	-
Federal appropriations	2,613,985	-	-	2,613,985	-
Interest income	32,583	-	-	32,583	-
Gain on sale of capital assets	<u>3,050</u>	<u>-</u>	<u>-</u>	<u>3,050</u>	<u>-</u>
	\$ 3,001,123	\$ -	\$ -	\$ 3,001,123	\$ -
Transfers in:					
Transfer in from other funds	\$ -	\$ -	\$ -	\$ -	\$ 47,146
Change in net assets	\$ 335,248	\$ 3,884	\$ (16,408)	\$ 322,724	\$ 1,617,911
Net assets - beginning	<u>1,614,351</u>	<u>140,911</u>	<u>60,582</u>		<u>-</u>
Net assets - ending	\$ 1,949,599	\$ 144,795	\$ 44,174		\$ 1,617,911
Adjustment to reflect the consolidation of applicable internal service fund activities to enterprise funds				<u>52,778</u>	
Change in net assets of business-type activities				\$ 375,502	

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Business Type Activities</u>			<u>Total Business Type Activities</u>	<u>Governmental</u>
	<u>School Nutrition Fund</u>	<u>Student Home Construction Fund</u>	<u>Stadium Fund</u>		<u>Activities Internal Service Fund</u>
Cash flows from operating activities:					
Cash received from customers or premiums	\$ 1,702,483	\$ 116,928	\$ 95,915	\$ 1,915,326	\$ 13,781,864
Cash payments for salaries and benefits	(1,860,333)	-	(10,410)	(1,870,743)	(47,490)
Cash payments for insurance premiums and services	(2,288,894)	(119,991)	(106,128)	(2,515,013)	(12,469,900)
Total cash provided (used) by operating activities	<u>\$ (2,446,744)</u>	<u>\$ (3,063)</u>	<u>\$ (20,623)</u>	<u>\$ (2,470,430)</u>	<u>\$ 1,264,474</u>
Cash flows from non-capital financing activities:					
Due to other funds	\$ 1,322	\$ -	\$ (322)	\$ 1,000	\$ (202,354)
Federal and state appropriations received	2,687,446	-	-	2,687,446	-
Transfers from other funds	-	-	-	-	47,146
Total cash provided (used) by non-capital financing activities	<u>\$ 2,688,768</u>	<u>\$ -</u>	<u>\$ (322)</u>	<u>\$ 2,688,446</u>	<u>\$ (155,208)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	\$ (188,531)	\$ -	\$ -	\$ (188,531)	\$ -
Sale of capital assets	3,050	-	-	3,050	-
Total cash (used) by capital financing activities	<u>\$ (185,481)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (185,481)</u>	<u>\$ -</u>
Cash flows from investing activities:					
Interest on investments	<u>32,583</u>	<u>-</u>	<u>-</u>	<u>32,583</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	\$ 89,126	\$ (3,063)	\$ (20,945)	\$ 65,118	\$ 1,109,266
Cash and pooled investments - beginning of year	<u>1,131,614</u>	<u>35,580</u>	<u>65,441</u>	<u>1,232,635</u>	<u>1,420,871</u>
Cash and pooled investments - end of year	<u>\$ 1,220,740</u>	<u>\$ 32,517</u>	<u>\$ 44,496</u>	<u>\$ 1,297,753</u>	<u>\$ 2,530,137</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (2,665,875)	\$ 3,884	\$ (16,408)	\$ (2,678,399)	\$ 1,570,765
Depreciation expense	65,080	-	-	65,080	-
Commodities used	198,373	-	-	198,373	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	-	-	-	248,209
(Increase) decrease in prepaid expenses	4,325	-	-	4,325	-
(Increase) decrease in inventory	(12,852)	(6,253)	-	(19,105)	-
Increase (decrease) in accrued wages	7,133	-	-	7,133	-
Increase (decrease) in accounts payable	(42,928)	(694)	(4,215)	(47,837)	66,125
Increase (decrease) in claims payable	-	-	-	-	(620,625)
Net cash provided (used) by operating activities	<u>\$ (2,446,744)</u>	<u>\$ (3,063)</u>	<u>\$ (20,623)</u>	<u>\$ (2,470,430)</u>	<u>\$ 1,264,474</u>
Supplemental schedule of non-cash non-capital financing activities:					
Federal food commodities received	<u>\$ 290,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,220</u>	

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 - ACCOUNTING POLICIES:

The District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The District's geographic boundary includes most of the city limits of Sioux City and a small portion of residential and agricultural land to the north in Plymouth County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

A. Reporting Entity

For financial reporting purposes, the 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. The District has no component units that meet the Governmental Accounting Standards Board criteria.

These financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) that applies to governmental units. All funds created under the authority of the State Code of Iowa, the operations of which are under the control of the District's governing body, and by financial reporting standards for governmental units are included herewith.

The Governmental Accounting Standards Board is responsible for establishing U.S. GAAP for state and local government through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The District applies only the applicable FASB pronouncements issued prior to November 30, 1989 in accounting and reporting its proprietary operations. The more significant accounting policies established in U.S. GAAP and used by the District are discussed below.

Jointly Governed Organizations - The District participates in jointly governed organizations that provide services to the District but do 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 Woodbury County Assessor's Conference Board and the Plymouth County Assessor's Conference Board.

B. Basic Financial Statements - Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, debt service, and capital projects are classified as governmental activities. The District's internal service fund is classified as a governmental-type activity.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 - ACCOUNTING POLICIES (CONTINUED):

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The Government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three types: governmental, proprietary and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The various funds reported in the financial statements are grouped into fund types as follows:

GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities, except those accounted for in proprietary funds, are accounted for through governmental funds. The measurement focus is on determination of financial position and changes in financial position, rather than upon net income determination. The following are the District's governmental funds.

General Fund - The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the General Fund consists primarily of local property taxes and state government aid.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 - ACCOUNTING POLICIES (CONTINUED):

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted for specified purposes. Each of the District's Special Revenue Funds has been established to reflect restricted revenue sources provided to school districts by the Iowa State Statutes. The funds included in this category and their purpose are as follows:

Management Fund - Accounts for property tax levies in the district for liability insurance premiums including worker's compensation, unemployment compensation insurance claims, post-retirement medical insurance, and legal settlements.

Activity Fund - Accounts for student clubs and other activities not necessary to regular instruction services that are financed partly or entirely by admissions and student fund-raising activities.

Physical Plant and Equipment Fund - Accounts for a regular levy of thirty-three cents per thousand dollars of assessed valuation in the district for use in purchase of equipment and repairing and improving schoolhouse buildings and grounds.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for and the payment of general long-term debt principal and interest.

Capital Projects Fund - The Capital Projects Fund accounts for the resources to be used to pay for the purchase of grounds, construction of buildings, purchase of buildings, equipment and repairs, remodeling, reconstructing, improving or expanding school-houses or buildings. The Funds included in this category and their purposes are as follows:

Sales Tax Capital Projects - Accounts for Local Option Sales and Service Tax revenues that are to be recorded in a separate fund according to guidance from the Iowa Department of Education. Expenditures are to be used for capital projects as described above in accordance with the election proposition.

HVAC Capital Project - Accounts for the capital loan proceeds that financed the North High School HVAC renovation project and corresponding expenditures.

PROPRIETARY FUND TYPES

Proprietary funds are used to account for the District's ongoing activities that are similar to those often found in the private sector, where the measurement focus is upon the flow of economic resources. The funds included in this category and their purpose are as follows:

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 - ACCOUNTING POLICIES (CONTINUED):

Enterprise Fund - The Enterprise Funds are used to account for operations: (a) which are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The funds included in this category and their purpose is as follows:

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

Student Home Construction Fund - Accounts for all transactions related to student built homes.

Stadium Fund - Accounts for all transactions related to sporting events held at Olsen Stadium.

Internal Service Fund - The Internal Service Fund is used to account for the financing of goods or services provided by one department to other departments of the governmental unit, or to other governmental units, on a cost reimbursement basis. The fund included in this category and its purpose is as follows:

Health Insurance Fund - Accounts for the revenue and expenses related to the District's self-insurance plan for health insurance.

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as interfund balances on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Assets and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Assets. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the District-wide statements. Interfund balances between governmental funds and proprietary funds remain as interfund balances on the Government-wide Statement of Net Assets.

D. Basis of Accounting/Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 - ACCOUNTING POLICIES (CONTINUED):

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

“Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property tax as available if it is collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Based on the flow of current financial resources measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Those revenues susceptible to accrual are property and other taxes, interest revenue and state foundation aid. Revenue from federal and state grants and similar programs are recognized when a District has done everything necessary to establish its right to the revenue. Usually this is at the time the expenditure has been incurred for an authorized purpose. When there are both restricted and unrestricted net assets available, it is the District's policy to first apply restricted resources and then unrestricted resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

The 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 fund is 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.

In reporting the financial activity of its proprietary funds, the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary fund types utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 - ACCOUNTING POLICIES (CONTINUED):

E. Assets, Liabilities, and Fund Equity

Cash and Pooled Investments - For the purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and pooled investments include cash on hand, savings or money market deposits with banks or other financial institutions, and amounts invested in the Iowa Schools Joint Investment Trust.

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Property Taxes Receivable - Property tax in governmental fund types 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 to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The subsequent 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 Board of Education is required to certify its budget to the County Auditor by April 15 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 subsequent year property tax receivable has been recorded, the related revenue is deferred 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 percent per month penalty for delinquent payments; is based on January 1, 2003 assessed property valuations; is for the tax accrual period July 1, 2004 through June 30, 2005 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2004.

Interfund Balances - During the course of its operations, the District has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2005, balances of interfund amounts payable or receivable have been recorded.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 - ACCOUNTING POLICIES (CONTINUED):

Inventories - All inventories are valued at cost using the first-in, first-out method for purchased items and contributed value for government commodities. Inventories are accounted for using the consumption method whereby inventory acquisitions are recorded in inventory accounts when purchased or received by other means and charged to operations when consumed or sold.

Property and Equipment - Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. The District has elected to use \$1,000 as the threshold level for capital assets. Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and structures	20 - 50 years
Machinery and equipment	5 - 20 years

Proprietary Fund - Proprietary fund type property and equipment is accounted for at historical cost or estimated historical cost where historical cost is not available. Assets acquired by gift are accounted for at their estimated fair market value at the date received as a donation.

Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided using the straight-line method over the estimated useful lives as follows:

Buildings and improvements	12 - 50 years
Machinery and equipment	3 - 20 years
Transportation equipment	5 - 10 years

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of subsequent year taxes receivable, and unspent grant proceeds.

Compensated Absences - Vested or accumulated vacation leave (compensated absences) and the related employee benefits are reported as liabilities in the government wide Statement of Net Assets. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Long-term Obligations - Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 - ACCOUNTING POLICIES (CONTINUED):

Early Retirement Plan - Benefits to be provided for those employees electing early retirement, plus the related payroll taxes. The liability for the benefits that are to be paid is reported in the government-wide statement of net assets.

Payroll, Payroll Taxes and Benefits - Payroll and the related payroll taxes and benefits which are payable in July and August 2005 for teachers with annual contracts corresponding to the school year just ended have been accrued as a liability for the year ended June 30, 2005.

District Equity - In the governmental fund financial statements, reserves represent those portions of District equity not appropriable for expenditure or legally segregated for a specific future use.

Restricted Net Assets - In the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or imposed by laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Student Activities - That portion reserved for extra-curricular student activities.

Debt Service - That portion of the Debt Service Fund balance required to be utilized to make future principal and interest payments.

State Teacher Salary Improvement - That portion of the General Fund balance representing the balance of State monies on hand for the State Teacher Salary Improvement Program.

State Teacher Mentor - That portion of the General Fund balance representing the balance of State monies on hand for the State Teacher Mentor Programs.

Educational Excellence – Phase III - That portion of the General Fund balance representing the balance of State monies on hand for the Educational Excellence Program – Phase III.

Talented and Gifted - That portion of the General Fund balance representing the balance of State monies on hand for the Talented and Gifted Program that must be spent in accordance with Chapter 257.46 of the Code of Iowa.

Early Childhood - That portion of the General Fund balance representing the balance of State monies on hand for the Early Childhood Program.

Specific Property Tax Levies - This is the fund balance of the Management Fund and PPEL Fund. These fund balances can be carried over to the next fiscal year and used to fund expenditures of the next fiscal year.

Capital Projects - This is the fund balance of the Sales Tax Capital Projects Fund. This fund balance can be carried over to the next fiscal year and will be used to fund expenditures in the next fiscal year.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 - ACCOUNTING POLICIES (CONTINUED):

Management Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2005, disbursements in the non-instructional programs functional area exceeded the amount budgeted.

NOTE 2 - CASH AND INVESTMENTS:

The District's deposits in banks at June 30, 2005, were entirely covered by federal depository insurance, collateralized with securities or letters of credit held by the District or the District's agent in the District's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2005, the District had investments in the Iowa Schools Investment Trust as follows:

	<u>Amortized Cost</u>
Diversified Portfolio	<u>\$ 1,014,102</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest Rate Risk - The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature with 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District.

Credit Risk - The investments in the Iowa Schools Joint Investment Trust were both rated Aaa by Moody's Investors Service.

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 3 - CAPITAL ASSETS:

A summary of changes in the capital assets for the year ended June 30, 2005 is as follows:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2005</u>
Governmental activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 666,820	\$ 7,818,472	\$ (2,082,654)	\$ -	\$ 6,402,638
Land	<u>4,555,249</u>	<u>242,162</u>	<u>730,350</u>	<u>-</u>	<u>5,527,761</u>
Total capital assets not being depreciated	<u>\$ 5,222,069</u>	<u>\$ 8,060,634</u>	<u>\$ 1,352,304</u>	<u>\$ -</u>	<u>\$ 11,930,399</u>
Capital assets being depreciated:					
Sites and site improvements	4,490,143	5,357	267,379	(59,257)	4,703,622
Buildings	78,100,246	167,979	1,064,582	(1,273,545)	78,059,262
Library holdings	9,737,849	107,277	-	-	9,845,126
Textbooks	5,562,919	691,529	-	-	6,254,448
Machinery and equipment	14,212,698	1,130,142	20,343	-	15,363,183
Transportation equipment	<u>2,401,816</u>	<u>423,433</u>	<u>-</u>	<u>(73,214)</u>	<u>2,752,035</u>
Total capital assets being depreciated	<u>\$ 114,505,671</u>	<u>\$ 2,525,717</u>	<u>\$ 1,352,304</u>	<u>\$ (1,406,016)</u>	<u>\$ 116,977,676</u>
Less accumulated depreciation:					
Sites and site improvements	\$ (1,657,331)	\$ (194,897)	\$ -	\$ 51,520	\$ (1,800,708)
Buildings	(21,777,869)	(1,473,947)	-	1,145,594	(22,106,222)
Library holdings	(7,749,401)	(683,409)	-	-	(8,432,810)
Textbooks	(2,575,824)	(1,239,912)	-	-	(3,815,736)
Machinery and equipment	(8,801,335)	(881,022)	-	-	(9,682,357)
Transportation equipment	<u>(2,010,620)</u>	<u>(91,572)</u>	<u>-</u>	<u>73,214</u>	<u>(2,028,978)</u>
Total accumulated depreciation	<u>\$ (44,572,380)</u>	<u>\$ (4,564,759)</u>	<u>\$ -</u>	<u>\$ 1,270,328</u>	<u>\$ (47,866,811)</u>
Total net capital assets being depreciated	<u>\$ 69,933,291</u>	<u>\$ (2,039,042)</u>	<u>\$ 1,352,304</u>	<u>\$ (135,688)</u>	<u>\$ 69,110,865</u>
Governmental activities capital assets, net	<u>\$ 75,155,360</u>	<u>\$ 6,021,592</u>	<u>\$ -</u>	<u>\$ (135,688)</u>	<u>\$ 81,041,264</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 4,193,660
Special programs	14,065
Vocational	39,597
Co-curricular	5,746
Guidance	824
Health	2,251
Other student support	282
Improvement of instruction	8,606
Education media	9,154
Board of education	2,125
Executive administration	692
School administration	1,292
Business administration	971
Operations and maintenance	63,553
Transportation	91,572
Central support	3,204
Technology	<u>127,165</u>
Total	<u>\$ 4,564,759</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 3 - CAPITAL ASSETS (CONTINUED):

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2005</u>
Business type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 148,374	\$ -	\$ -	\$ 148,374
Machinery and equipment	1,245,954	122,752	(9,852)	1,358,854
Transportation equipment	<u>209,586</u>	<u>65,779</u>	<u>-</u>	<u>275,365</u>
Total capital assets being depreciated	<u>\$ 1,603,914</u>	<u>\$ 188,531</u>	<u>\$ (9,852)</u>	<u>\$ 1,782,593</u>
Less accumulated depreciation:				
Building and improvements	\$ (143,264)	\$ (1,039)	\$ -	\$ (144,303)
Machinery and equipment	(897,151)	(53,690)	9,852	(940,997)
Transportation equipment	<u>(162,459)</u>	<u>(10,343)</u>	<u>-</u>	<u>(172,802)</u>
Total accumulated depreciation	<u>\$ (1,202,874)</u>	<u>\$ (65,080)</u>	<u>\$ 9,852</u>	<u>\$ (1,258,102)</u>
Business type activities capital assets, net	<u>\$ 401,040</u>	<u>\$ 123,451</u>	<u>\$ -</u>	<u>\$ 524,491</u>

NOTE 4 - BONDED AND OTHER LONG-TERM DEBT:

During the year ended June 30, 2005 the following changes occurred in Long-Term Debt:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2005</u>	<u>Due Within</u> <u>One Year</u>
School refunding bonds (2002)	\$ 6,505,000	\$ -	\$ 825,000	\$ 5,680,000	\$ 850,000
Sales tax revenue bonds	20,825,000	7,000,000	3,805,000	24,020,000	3,960,000
Qualified zone academy bonds	1,000,000	-	-	1,000,000	-
Asbestos abatement loans	2,115,342	-	310,111	1,805,231	310,111
General obligation capital loan notes	-	1,500,000	-	1,500,000	130,000
Special assessment liability	3,732	-	2,221	1,511	1,511
Liability for early retirement	<u>3,217,016</u>	<u>739,253</u>	<u>691,887</u>	<u>3,264,382</u>	<u>763,200</u>
	<u>\$ 33,666,090</u>	<u>\$ 9,239,253</u>	<u>\$ 5,634,219</u>	<u>\$ 37,271,124</u>	<u>\$ 6,014,822</u>

School Refunding Bonds - On December 8, 1993, the District issued \$12,600,000 in School Refunding Bonds under Chapter 298 of the Code of Iowa to provide funds for the repayment of the District's \$12,250,000 General Obligation Anticipatory Warrants due December 31, 1993. Issuance of the refunding bonds satisfied an Iowa District Court action in which District filed an Offer to Confess Judgment before Action is brought. The bonds, dated December 1, 1993, bear interests at carrying rates from 5.000 to 5.125 percent payable the first day of December and June in each year until maturity. Bonds maturing in the years 2003 to 2011 were subject to

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 4 - BONDED AND OTHER LONG-TERM DEBT (CONTINUED):

call and prior payment at the option of the District, on June 1, 2002, and any date thereafter at a price of par and accrued interest. A direct annual tax was levied on all taxable property in the District for retirement of bond principal and interest. On June 1, 2002, these bonds were called and paid with the funds held in trust from the issuance on April 9, 2002.

Due to market changes, on April 9, 2002, the District issued \$8,025,000 in School Refunding Bonds under Chapter 298 of the Code of Iowa, which were held in Trust for the defeasance of the School Refunding Bonds issued on December 8, 1993. The bonds are general obligations of the District payable from a continuing annual levy of taxes on all taxable property in the District for retirement of bond principal and interest. The bonds, dated April 9, 2002, bear interests at carrying rates from 3.00 to 4.00 percent payable the first day of December and June each year until maturity. The outstanding principal balance at June 30, 2005 is \$5,680,000.

Sales Tax Revenue Bonds - In December 1999, the District issued \$10,000,000 School Infrastructure Sales and Services Tax Revenue Bonds, Series 1999 for the purpose of providing funds to finance various construction projects for District facilities. The Bonds are special limited revenue obligations of the District and payments of principal and interest on the Bonds are secured solely by a pledge of the Local Option Tax revenues and by the Reserve Fund and certain other amounts held under the Bond Resolution. Principal will be payable annually beginning on October 1, 2001, and interest at 5 percent payable semi-annually beginning October 1, 2000. The Bonds will mature on October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2005 is \$5,630,000.

In December 2000 the District issued \$9,680,000 School Infrastructure Sales and Service Tax Revenue Bonds, Series 2000 for the purpose of providing funds to finance various construction projects for District facilities. The proceeds of \$9,680,197 exceed the face amount \$9,680,000 by \$197. The Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the Local Option Tax revenues and by the Reserve Fund and certain other amounts held under the Bond Resolution. Principal will be payable annually on each October 1 and interest payable semi-annually carrying rates from 4.65 to 4.70 percent beginning April 1, 2001. The Bonds will mature on October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2005 is \$5,265,000.

In July 2001, the District issued \$10,000,000 School Infrastructure Sales and Services Tax Revenue Bonds, Series 2001 for the purpose of providing funds to finance various construction projects for District facilities. The Bonds are special limited revenue obligations of the District and payments of principal and interest on the Bonds are secured solely by a pledge of the Local Option Tax revenues and by the Reserve Fund and certain other amounts held under the Bond Resolution. Principal will be payable annually on each October 1 and interest payable semi-annually beginning April 1, 2002. The Bonds will mature on October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2005 is \$6,125,000.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 4 - BONDED AND OTHER LONG-TERM DEBT (CONTINUED):

In April 2005 the District issued \$7,000,000 in Subordinate Lien School Infrastructure Local Option Sales and Services Tax Revenue Bonds, Series 2005 for the purpose of financing certain construction, remodeling and addition projects within the District. The Bonds are subject to a superior lien on the District's sales tax revenue of the District's Series 1999, 2000, and 2001 sales tax revenue bonds and the Series 2000 Qualified Zone Academy Bond, collectively, the prior bonds. Interest will be payable semi-annually beginning October 1, 2005 and principal will be payable at Bond maturity on October 1, 2008 as disclosed in the schedule following.

In November 2001 the District issued \$1,000,000 in Qualified Zone Academy Bonds for the purpose of providing funds for the equipment, rehabilitation and repair of West Middle School. The Bonds were issued under Section 1397E of the Internal Revenue Code of 1986, which states that qualified bondholders will receive an annual tax credit in lieu of interest. Therefore, these bonds carry a 0 percent interest rate. The Bonds are special limited revenue obligations of the District and payment of the principal is secured by a pledge of the Local Option Tax revenues and by the Reserve Fund. Principal will be paid on the maturity date, October 1, 2008.

Asbestos Abatement Loans - During 1992 and 1993 the District entered into two interest free loans not to exceed \$2,543,875 and \$3,038,115 with the Environmental Protection Agency (EPA) for the purpose of asbestos abatement. Installments paid during the year totaled \$310,111 leaving an aggregate unpaid balance of \$1,805,231 as of June 30, 2005.

General Obligation Capital Loan Notes - In May 2005 the District issued \$1,500,000 General Obligation Capital Loan Notes for the purpose of providing funds to finance the implementation of energy conservation and management measures pursuant to Iowa Code Section 473.13A. The notes are general obligations of the District and payments of interest and principal will be paid from monies budgeted annually and on hand in the General Fund. Principal will be payable annually on each June 1 and interest payable semi-annually beginning December 1, 2005. The note will mature on June 1, 2015 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2005 is \$1,500,000.

Special Assessment Liability - The District has been assessed a portion of the cost for construction of municipal infrastructure improvements. The balance is due in annual installments of \$2,221. The outstanding principal balance at June 30, 2005 is \$1,511.

Bond and Debt Maturities:

Year Ended June 30,	School Refunding Bonds - 2002 Issue			
	Interest Rates	Principal	Interest	Total
2006	3.500%	\$ 850,000	\$ 220,738	\$ 1,070,738
2007	3.750%	885,000	190,988	1,075,988
2008	4.000%	925,000	157,800	1,082,800
2009	4.000%	965,000	120,800	1,085,800
2010	4.000%	1,005,000	82,200	1,087,200
2011	4.000%	1,050,000	42,000	1,092,000
Total		<u>\$ 5,680,000</u>	<u>\$ 814,526</u>	<u>\$ 6,494,526</u>

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 4 - BONDED AND OTHER LONG-TERM DEBT (CONTINUED):

<u>Sales Tax Revenue Bonds - 1999 Issue</u>				
Year Ended	Interest			
<u>June 30,</u>	<u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	5.000%	\$ 1,300,000	\$ 249,000	\$ 1,549,000
2007	5.000%	1,375,000	182,125	1,557,125
2008	5.000%	1,435,000	111,875	1,546,875
2009	5.125%	<u>1,520,000</u>	<u>38,000</u>	<u>1,558,000</u>
Total		<u>\$ 5,630,000</u>	<u>\$ 581,000</u>	<u>\$ 6,211,000</u>

<u>Sales Tax Revenue Bonds - 2000 Issue</u>				
Year Ended	Interest			
<u>June 30,</u>	<u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	4.70%	\$ 1,220,000	\$ 219,493	\$ 1,439,493
2007	4.70%	1,285,000	160,625	1,445,625
2008	4.70%	1,345,000	98,820	1,443,820
2009	4.70%	<u>1,415,000</u>	<u>33,606</u>	<u>1,448,606</u>
Total		<u>\$ 5,265,000</u>	<u>\$ 512,544</u>	<u>\$ 5,777,544</u>

<u>Sales Tax Revenue Bonds - 2001 Issue</u>				
Year Ended	Interest			
<u>June 30,</u>	<u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	4.00%	\$ 1,440,000	\$ 217,825	\$ 1,657,825
2007	4.00%	1,500,000	159,025	1,659,025
2008	4.00%	1,560,000	97,825	1,657,825
2009	4.10%	<u>1,625,000</u>	<u>33,313</u>	<u>1,658,313</u>
Total		<u>\$ 6,125,000</u>	<u>\$ 507,988</u>	<u>\$ 6,632,988</u>

<u>Sales Tax Revenue Bonds - 2005 Issue - Subordinate Series</u>				
Year Ended	Interest			
<u>June 30,</u>	<u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	3.70%	\$ -	\$ 240,294	\$ 240,294
2007	3.70%	-	259,000	259,000
2008	3.70%	-	259,000	259,000
2009	3.70%	<u>7,000,000</u>	<u>129,500</u>	<u>7,129,500</u>
Total		<u>\$ 7,000,000</u>	<u>\$ 887,794</u>	<u>\$ 7,887,794</u>

<u>QZAB Bonds</u>				
Year Ended	Interest			
<u>June 30,</u>	<u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	0%	\$ 1,000,000	\$ -	\$ 1,000,000
Total		<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>
Total bonded debt		<u>\$ 30,700,000</u>	<u>\$ 3,303,852</u>	<u>\$ 34,003,852</u>

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 4 - BONDED AND OTHER LONG-TERM DEBT (CONTINUED):

Asbestos Abatement Loans

<u>Year Ended</u> <u>June 30,</u>	<u>Interest</u> <u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	0.000%	\$ 310,111	\$ -	\$ 310,111
2007	0.000%	310,111	-	310,111
2008	0.000%	310,111	-	310,111
2009	0.000%	310,111	-	310,111
2010	0.000%	311,612	-	311,612
2011 - 2012	0.000%	<u>253,175</u>	<u>-</u>	<u>253,175</u>
Total		<u>\$ 1,805,231</u>	<u>\$ -</u>	<u>\$ 1,805,231</u>

General Obligation Capital Loan Notes

<u>Year Ended</u> <u>June 30,</u>	<u>Interest</u> <u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	3.570%	\$ 130,000	\$ 58,013	\$ 188,013
2007	3.570%	135,000	48,909	183,909
2008	3.570%	135,000	44,090	179,090
2009	3.570%	140,000	39,270	179,270
2010	3.570%	145,000	34,272	179,272
2011 - 2015	3.570%	<u>815,000</u>	<u>89,606</u>	<u>904,606</u>
Total		<u>\$ 1,500,000</u>	<u>\$ 314,160</u>	<u>\$ 1,814,160</u>

Special Assessment Liability

<u>Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 1,511	\$ -	\$ 1,511
Total	<u>\$ 1,511</u>	<u>\$ -</u>	<u>\$ 1,511</u>

Summary of debt service requirements to maturity on the outstanding bonded indebtedness and loans as of June 30, 2005 is as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 5,251,622	\$ 1,205,363	\$ 6,456,985
2007	5,490,111	1,000,672	6,490,783
2008	6,710,111	769,410	7,479,521
2009	12,975,111	394,489	13,369,600
2010	1,461,612	116,472	1,578,084
2011 - 2012	<u>2,118,175</u>	<u>131,606</u>	<u>2,249,781</u>
Total	<u>\$ 34,006,742</u>	<u>\$ 3,618,012</u>	<u>\$ 37,624,754</u>

As of June 30, 2005, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$3,031,472,884</u>
Debt limit, 5.0 percent of total assessed valuation	\$ 151,573,644
Amount of debt applicable to debt limitation, total indebtedness less amount available in debt service fund	<u>8,931,880</u>
Excess of debt limit over debt outstanding, legal debt margin	<u>\$ 142,641,764</u>

The liability for early retirement is described in Note 8, Early Retirement Benefits.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 5 - RETIREMENT SYSTEM:

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70 percent of their annual covered salary and the District is required to contribute 5.75 percent of annual covered payroll for the years ended June 30, 2005, 2004 and 2003. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2005, 2004, and 2003 were \$3,985,724, \$3,680,361 and \$3,583,682, respectively, equal to the required contributions for each year.

NOTE 6 - 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 educational agency. The District's actual amount for this purpose totaled \$4,211,176 for the year ended June 30, 2005. This amount is recorded in the General Fund by making a memorandum adjusting entry to the State revenue appropriations and to other expenditures, since the amount is deducted from the State foundation aid due to the District and is remitted directly to the area education agency.

NOTE 7 - RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District has had no significant reductions in insurance coverage from prior years. Settled claims for these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District maintains a self-insured health care coverage program for its employees. Claims in excess of a self-insured retention amount are covered through third party specific stop-loss insurance. The liability for claims incurred but unpaid as of June 30, 2005 and 2004 was actuarially estimated using actual covered employees, a historical average loss rate per employee, and a historically developed percentage of claims completed by month. A reconciliation of changes in the aggregate liability for claims during the years ended June 30, 2005 and 2004 is as follows:

	<u>2005</u>	<u>2004</u>
Unpaid claims at beginning of fiscal year	\$ 2,544,481	\$ 2,620,056
Incurred claims for the fiscal year	11,952,185	12,426,668
Claims paid during the fiscal year	(11,593,399)	(11,618,643)
Cost of specific stop-loss insurance	(468,429)	(414,412)
Administration expense	<u>(510,981)</u>	<u>(469,188)</u>
Unpaid claims at end of fiscal year (Incurred but not reported claims liability)	<u>\$ 1,923,857</u>	<u>\$ 2,544,481</u>

The District accounts for the self-insurance plan through an Internal Service Fund.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 8 - EARLY RETIREMENT BENEFITS:

During 1995, the District began offering a voluntary early retirement plan to certain retiring employees by paying up to 100 percent of their health insurance premiums until they become either eligible for Social Security or Medicare benefits or eligible to participate under a future employee health care plan.

The liability related to these benefits as of June 30, 2005 is estimated at \$3,264,382 and is recorded on the Government-Wide Statement of Net Assets. The current portion of \$763,200 is due within one year and the long-term portion of \$2,501,182 extends beyond one year. The estimate is based on the current health insurance premiums, the number of people who had accepted the benefit as of June 30, 2005 and their ages as of June 30, 2005. Full-time employees age 55 or older, who have at least 15 years of service with the District, and are eligible to begin retirement through the IPERS program are eligible to participate. Currently 196 retirees are receiving these benefits. The benefit payments for the year ended June 30, 2005 totaled \$691,887. The School District will provide a percentage of the medical insurance premiums based on the employee's work group for the employee and one dependent if that dependent has been covered on the medical insurance plan since the January preceding the year of retirement.

NOTE 9 - INTERFUND TRANSFERS AND BALANCES:

The detail of interfund transfers for the year ended June 30, 2005 is as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General	Special Revenue: Student Activities	\$ <u>51,922</u>
Debt Service	General Capital Project	\$ 310,111 <u>4,667,740</u>
		\$ <u>4,977,851</u>
		\$ <u>5,029,773</u>
Internal Service Fund	General	\$ <u>47,146</u>

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

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 9 - INTERFUND TRANSFERS AND BALANCES (CONTINUED):

The detail of interfund balances at June 30, 2005 is as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General:		
Student Activity Fund	\$ 129,328	\$ 9,892
Student Home Construction Fund	59	-
Stadium Fund	322	-
Internal Service Fund	<u>188,042</u>	<u>494,541</u>
	<u>\$ 317,751</u>	<u>\$ 504,433</u>
PPEL Fund:		
Capital Project	<u>\$ 1,900</u>	<u>\$ 361,900</u>
Capital Project:		
North High HVAC Project:		
Local Option Sales Tax	\$ -	\$ 1,500,000
Local Option Sales Tax:		
North High HVAC Project	1,500,000	-
PPEL	361,900	-
School Nutrition Fund	<u>1,322</u>	<u>-</u>
	<u>\$ 1,863,222</u>	<u>\$ 1,501,900</u>
Student Activity Fund:		
General	<u>\$ 9,892</u>	<u>\$ 129,328</u>
	<u>\$ 2,192,765</u>	<u>\$ 2,497,561</u>
Proprietary Fund:		
School Nutrition Fund	\$ -	\$ 1,322
Student Home Construction Fund	-	59
Stadium Fund	-	<u>322</u>
	<u>\$ -</u>	<u>\$ 1,703</u>
Internal Service Fund:		
General	<u>\$ 494,541</u>	<u>\$ 188,042</u>
	<u>\$ 2,687,306</u>	<u>\$ 2,687,306</u>

NOTE 10 - CONSTRUCTION AND OTHER COMMITMENTS:

The District has entered into various contracts totaling \$15,524,916 for the construction of the new Irving Elementary School, replacement of the North High HVAC and various other projects. At June 30, 2005, \$5,339,856 of the contracts were completed. The remaining amounts of the contracts will be paid as work on the projects progress.

NOTE 11 - CONTINGENCIES:

At June 30, 2005 the District is involved in various litigation concerning employment and work place issues, contract performance, and other matters arising in the normal course of the District's operations. The probability and amount of loss, if any, is indeterminable; however, in the opinion of the District, the outcome of these matters will not have a material impact on the District's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

SIOUX CITY COMMUNITY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE OF

REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES,

BUDGET AND ACTUAL, ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2005

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
Revenue:			
Local sources	\$ 48,865,969	\$ 1,947,909	\$ 50,813,878
State appropriations	67,507,932	61,305	67,569,237
Federal appropriations	8,402,053	2,904,185	11,306,238
Total revenue	<u>\$ 124,775,954</u>	<u>\$ 4,913,399</u>	<u>\$ 129,689,353</u>
Expenditures:			
Instruction	77,350,380	-	77,350,380
Support services:			
Student support	3,450,781	-	3,450,781
Instructional staff support	2,398,812	-	2,398,812
General administration	1,068,948	-	1,068,948
Building administration	6,289,701	-	6,289,701
Business administration	2,136,134	-	2,136,134
Plant operation and maintenance	9,283,811	-	9,283,811
Student transportation	2,511,787	-	2,511,787
Central support services	3,022,848	-	3,022,848
Non-instructional programs	-	4,593,725	4,593,725
Other expenditures:			
Facilities acquisition and construction	7,806,878	-	7,806,878
Debt service	6,044,769	-	6,044,769
AEA support	4,211,176	-	4,211,176
Total expenditures	<u>\$ 125,576,025</u>	<u>\$ 4,593,725</u>	<u>\$ 130,169,750</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (800,071)</u>	<u>\$ 319,674</u>	<u>\$ (480,397)</u>
Other financing sources (uses):			
Bond/note proceeds	8,500,000	-	8,500,000
Operating transfers in	5,029,773	-	5,029,773
Operating transfers out	(5,076,919)	-	(5,076,919)
Gain on capital assets	-	3,050	3,050
Total other financing sources (uses)	<u>\$ 8,452,854</u>	<u>\$ 3,050</u>	<u>\$ 8,455,904</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 7,652,783</u>	<u>\$ 322,724</u>	<u>\$ 7,975,507</u>
Fund balances - beginning of year	<u>22,248,639</u>	<u>1,815,844</u>	<u>24,064,483</u>
Fund balances - end of year	<u>\$ 29,901,422</u>	<u>\$ 2,138,568</u>	<u>\$ 32,039,990</u>

<u>Budgeted Amounts</u>		<u>Final to Actual Variance</u>
<u>Original</u>	<u>Final</u>	
\$ 50,382,795	\$ 50,382,795	\$ 431,083
67,486,640	67,486,640	82,597
<u>8,407,376</u>	<u>8,407,376</u>	<u>2,898,862</u>
<u>\$ 126,276,811</u>	<u>\$ 126,276,811</u>	<u>\$ 3,412,542</u>
77,955,318	79,619,136	2,268,756
3,679,060	3,567,290	116,509
3,077,456	2,954,116	555,304
1,258,172	1,193,552	124,604
5,329,951	6,179,736	(109,965)
1,458,610	2,307,800	171,666
8,742,236	8,990,032	(293,779)
1,619,156	2,091,552	(420,235)
2,953,250	3,179,856	157,008
4,079,788	4,568,675	(25,050)
6,150,890	10,664,773	2,857,895
6,048,339	6,048,339	3,570
<u>4,562,160</u>	<u>4,211,176</u>	<u>-</u>
<u>\$ 126,914,386</u>	<u>\$ 135,576,033</u>	<u>\$ 5,406,283</u>
<u>\$ (637,575)</u>	<u>\$ (9,299,222)</u>	<u>\$ 8,818,825</u>
-	-	8,500,000
4,977,851	4,977,851	51,922
(5,242,378)	(5,000,351)	(76,568)
<u>-</u>	<u>-</u>	<u>3,050</u>
<u>\$ (264,527)</u>	<u>\$ (22,500)</u>	<u>\$ 8,478,404</u>
<u>\$ (902,102)</u>	<u>\$ (9,321,722)</u>	<u>\$ 17,297,229</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

JUNE 30, 2005

Budgets and Budgetary Accounting

Iowa law requires the formal and legal budgetary control for the certified budget to be based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. The District has elected not to utilize a budget for the Internal Service Fund since other financial and actuarial information is the primary control factor on spending levels. 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 and the means of financing them. The State's Statute requires the budget to be submitted in summary form. In addition, more detailed line item budgets are included for administrative control.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to April 15, the budget is legally enacted through certification to the County Auditor.
4. The Board Secretary is required by State Statute to present a monthly report to the Board of Education explaining any variance from the approved budget.
5. Budgets for the general, special revenue, debt service and capital projects funds are adopted on a modified accrual basis. The budgets for the enterprise funds are adopted on an accrual basis.
6. The Board of Education may amend the budget during the year by holding a public hearing and certifying the amendment with the County Auditor. The budgetary data presented in the financial statements reflect all approved budget amendments.
7. Appropriations lapse at the end of each fiscal year.
8. The budget cannot be amended without approval from the Board of Education.

Encumbrances pertain to commitments related to unperformed contracts for goods or services. Used in budgeting, encumbrances are not expenditures or liabilities. Encumbrances represent the estimated amount of expenditures that may result if the unperformed contracts in process are completed. The District is not required to use encumbrance accounting and accordingly, commitments related to unperformed contracts for goods or services have not been recorded by the District.

During the year ended June 30, 2005, disbursements in the non-instructional programs function exceeded the amount budgeted.

OTHER SUPPLEMENTARY INFORMATION

SIOUX CITY COMMUNITY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL NONMAJOR FUND

JUNE 30, 2005

	<u>Special Revenue Fund</u>
	<u>Activity Fund</u>
ASSETS:	
Cash and pooled investments	\$ 563,000
Receivables:	
Interfund balance	<u>9,892</u>
Total assets	<u>\$ 572,892</u>
LIABILITIES AND FUND BALANCES:	
Accounts payable	\$ 12,383
Interfund balance	<u>129,328</u>
Total liabilities	<u>\$ 141,711</u>
FUND BALANCE:	
Unreserved for:	
Special revenue fund	<u>\$ 431,181</u>
Total fund balance	<u>\$ 431,181</u>
Total liabilities and fund balance	<u>\$ 572,892</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL NONMAJOR FUND
FOR THE YEAR ENDED JUNE 30, 2005

	Special Revenue Fund
	Activity Fund
Revenue:	
Local sources	\$ 1,403,340
Total revenue	\$ 1,403,340
Expenditures:	
Governmental Activities:	
Instruction:	
Co-curricular	\$ 1,493,038
Operations and maintenance	17,859
Total expenditures	\$ 1,510,897
Deficiency of revenues under expenditures	\$ (107,557)
Other financing sources (uses):	
Operating transfers out	\$ (51,922)
Total other financing sources (uses)	\$ (51,922)
Net change in fund balance	\$ (159,479)
Fund balance - beginning of year	590,660
Fund balance - end of year	\$ 431,181

SIOUX CITY COMMUNITY SCHOOL DISTRICT

GENERAL SCHOOL SYSTEM EXPENDITURES BY FUNCTION - GOVERNMENT-WIDE

FOR THE YEARS ENDED JUNE 30, 2002 - 2005

LAST FOUR YEARS

<u>Year Ended June 30</u>	<u>Instruction</u>	<u>Student Support</u>	<u>Instructional Staff Support</u>	<u>General Administration</u>	<u>School Administration</u>	<u>Business Administration</u>	<u>Operation and Maintenance</u>	<u>Student Transportation</u>	<u>Central Support</u>	<u>Technology</u>	<u>Debt Service</u>	<u>Inter-Governmental</u>	<u>Total</u>
2005	\$ 79,926,672	\$ 3,414,425	\$ 2,289,408	\$ 1,049,492	\$ 6,183,165	\$ 2,113,608	\$ 8,840,172	\$ 2,153,485	\$ 937,526	\$ 1,975,783	\$ 1,134,514	\$ 4,211,176	\$ 114,229,426
2004	77,915,645	2,976,773	2,007,114	1,660,482	5,907,385	1,534,363	8,115,235	1,415,513	1,025,452	1,538,664	1,282,790	4,146,957	109,526,373
2003	76,183,474	2,755,278	2,298,830	1,516,143	5,497,103	1,513,565	9,980,324	1,463,802	14,736,552	1,270,775	1,433,941	4,418,663	123,068,450
2002	74,870,593	2,921,715	2,576,426	887,000	5,013,365	1,425,510	7,494,989	1,299,580	12,794,086	1,139,039	844,722	4,429,550	115,696,575

Source: Audited financial statements

SIOUX CITY COMMUNITY SCHOOL DISTRICT

GENERAL SCHOOL SYSTEM REVENUES BY SOURCE - GOVERNMENT-WIDE

FOR THE YEARS ENDED JUNE 30, 2002 - 2005

LAST FOUR YEARS

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Program Revenues:				
Charges for services	\$ 4,766,017	\$ 5,115,387	\$ 17,339,032	\$ 15,408,011
Operating grants and contributions	<u>17,441,207</u>	<u>16,110,257</u>	<u>15,773,043</u>	<u>14,947,553</u>
Total program revenues	\$ 22,207,224	\$ 21,225,644	\$ 33,112,075	\$ 30,355,564
General Revenues:				
Taxes	\$ 42,505,249	\$ 41,363,141	\$ 39,613,568	\$ 34,991,145
State aid not restricted to specific programs	59,109,639	55,751,752	56,175,179	54,688,999
Interest	962,935	594,234	611,878	1,238,461
Miscellaneous	<u>1,366,133</u>	<u>101,760</u>	<u>391,049</u>	<u>798,509</u>
Total general revenues	\$ <u>103,943,956</u>	\$ <u>97,810,887</u>	\$ <u>96,791,674</u>	\$ <u>91,717,114</u>
Total revenues	\$ <u>126,151,180</u>	\$ <u>119,036,531</u>	\$ <u>129,903,749</u>	\$ <u>122,072,678</u>

Source: Audited financial statements

SIOUX CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF COMPARATIVE TAX RECEIPTS BY FUND - ALL FUNDS*

FOR THE YEARS ENDED JUNE 30, 1996 - 2005

FOR THE YEAR ENDED JUNE 30, 2005

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
LOCAL:										
General Fund	\$ 29,521,373	\$ 28,050,725	\$ 27,396,619	\$ 23,315,573	\$ 22,548,212	\$ 21,096,369	\$ 22,055,253	\$ 20,425,005	\$ 18,279,363	\$ 21,367,547
Special Revenue Funds	2,552,439	3,001,440	2,029,302	2,019,516	2,239,153	1,341,222	1,382,607	1,477,285	1,352,888	1,055,105
Debt Service Fund	1,064,264	1,059,853	1,055,039	1,096,003	1,411,158	1,418,025	1,442,693	1,414,016	-	-
Capital Projects Fund	<u>9,503,120</u>	<u>8,744,283</u>	<u>9,132,607</u>	<u>8,517,537</u>	<u>8,595,057</u>	<u>8,742,190</u>	<u>6,381,055</u>	-	<u>1,200,742</u>	<u>1,197,810</u>
	<u>\$ 42,641,196</u>	<u>\$ 40,856,301</u>	<u>\$ 39,613,567</u>	<u>\$ 34,948,629</u>	<u>\$ 34,793,580</u>	<u>\$ 32,597,806</u>	<u>\$ 31,261,608</u>	<u>\$ 23,316,306</u>	<u>\$ 20,832,993</u>	<u>\$ 23,620,462</u>
STATE:										
General Fund	\$ 67,505,113	\$ 63,732,078	\$ 64,788,130	\$ 63,953,427	\$ 63,668,401	\$ 61,369,658	\$ 57,642,572	\$ 55,706,634	\$ 52,825,534	\$ 42,892,638
Special Revenue Funds	2,017	2,429	1,768	2,006	22,921	18,435	-	-	-	-
Debt Service Fund	802	2,340	871	1,070	12,871	17,164	-	-	-	-
Enterprise Fund	<u>61,305</u>	<u>60,306</u>	<u>58,805</u>	<u>78,903</u>	<u>85,563</u>	<u>62,625</u>	<u>61,910</u>	<u>67,109</u>	<u>64,819</u>	<u>65,973</u>
	<u>\$ 67,569,237</u>	<u>\$ 63,797,153</u>	<u>\$ 64,849,574</u>	<u>\$ 64,035,406</u>	<u>\$ 63,789,756</u>	<u>\$ 61,467,882</u>	<u>\$ 57,704,482</u>	<u>\$ 55,773,743</u>	<u>\$ 52,890,353</u>	<u>\$ 42,958,611</u>
FEDERAL:										
Regular General Fund	\$ 5,242,356	\$ 5,538,880	\$ 4,367,292	\$ 2,701,850	\$ 1,368,070	\$ 1,289,358	\$ 920,500	\$ 907,934	\$ 728,559	\$ 1,278,082
Title Programs	2,441,469	2,481,394	2,790,147	2,954,314	2,669,980	2,698,343	2,499,186	2,496,371	2,490,003	2,696,735
Capital Project Fund	718,228	-	-	-	500,000	-	-	-	-	-
Enterprise Fund	<u>2,613,985</u>	<u>2,591,049</u>	<u>2,363,353</u>	<u>1,826,127</u>	<u>1,693,035</u>	<u>1,698,777</u>	<u>1,618,996</u>	<u>1,661,485</u>	<u>1,634,874</u>	<u>1,543,637</u>
	<u>\$ 11,016,038</u>	<u>\$ 10,611,323</u>	<u>\$ 9,520,792</u>	<u>\$ 7,482,291</u>	<u>\$ 6,231,085</u>	<u>\$ 5,686,478</u>	<u>\$ 5,038,682</u>	<u>\$ 5,065,790</u>	<u>\$ 4,853,436</u>	<u>\$ 5,518,454</u>
Total	<u>\$ 121,226,471</u>	<u>\$ 115,264,777</u>	<u>\$ 113,983,933</u>	<u>\$ 106,466,326</u>	<u>\$ 104,814,421</u>	<u>\$ 99,752,166</u>	<u>\$ 94,004,772</u>	<u>\$ 84,155,839</u>	<u>\$ 78,576,782</u>	<u>\$ 72,097,527</u>

* Includes all local taxes, State aid and grants, and Federal grants.

SIOUX CITY COMMUNITY SCHOOL DISTRICT
GENERAL DISTRICT REVENUE BY SOURCE*
FOR THE YEARS ENDED JUNE 30, 1996 - 2005

LAST TEN YEARS

<u>Year Ended</u> <u>June 30</u>	<u>Local Tax</u>	<u>State</u> <u>Appropriations</u>	<u>Federal</u> <u>Appropriations</u>	<u>Miscellaneous</u>	<u>Total</u>
2005	\$ 32,073,812	\$ 67,507,130	\$ 7,683,825	\$ 6,224,773	113,489,540
2004	31,052,165	63,734,507	8,020,274	4,587,176	107,394,122
2003	29,425,921	64,789,898	7,157,439	6,119,486	107,492,744
2002	25,335,089	63,955,433	5,656,164	6,781,796	101,728,482
2001	24,787,365	63,691,322	4,038,050	6,939,374	99,456,111
2000	22,437,591	61,388,093	3,987,701	6,637,608	94,450,993
1999	10,160,215	61,369,658	3,987,701	6,178,586	81,696,160
1998	21,902,290	55,706,634	3,404,305	5,199,748	86,212,977
1997	19,632,251	52,825,534	3,218,562	5,112,774	80,789,121
1996	22,422,652	42,892,638	3,974,817	4,567,290	73,857,397

* Includes all General Fund and Special Revenue Funds revenue.
Source: School District financial records.

SIOUX CITY COMMUNITY SCHOOL DISTRICT
GENERAL DISTRICT EXPENDITURES BY PROGRAM AND/OR FUNCTION
FOR THE YEARS ENDED JUNE 30, 1996 - 2005

EXPENDITURES BY PROGRAM**

LAST TEN YEARS *

<u>Year Ended June 30</u>	<u>Instruction Expenditures</u>	<u>Student Support</u>	<u>Instructional Staff Support</u>	<u>General Administration</u>	<u>School Administration</u>	<u>Business Administration</u>	<u>Operation & Maintenance</u>	<u>Student Transportation</u>	<u>Central Support</u>	<u>Technology</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total Expenditures</u>
2005	\$ 77,350,380	\$ 3,450,781	\$ 2,398,812	\$ 1,068,948	\$ 6,289,701	\$ 838,622	\$ 9,283,811	\$ 2,511,787	\$ 993,934	\$ 2,028,914	\$ 705,647	\$ -	\$ 106,921,337
2004	73,594,014	3,012,327	2,174,059	1,665,774	5,986,738	1,578,570	8,267,105	1,513,990	1,029,990	1,541,315	-	-	100,363,882
2003	73,118,631	2,765,639	2,429,798	1,515,796	5,517,291	1,441,591	8,109,153	1,662,255	842,451	1,307,545	83,706	2,725	98,796,581
2002	71,657,382	2,919,682	2,575,129	887,682	4,973,332	1,408,978	7,316,484	1,535,594	1,215,475	1,355,544	183,175	-	96,028,457
2001	67,889,657	4,001,274	1,297,047	853,019	4,784,446	1,360,371	7,522,273	1,483,217	1,173,669	1,794,538	212,813	-	92,372,324
2000	65,136,966	3,710,039	1,146,756	944,262	4,737,930	1,095,436	7,233,901	1,569,003	1,183,499	1,710,825	-	-	88,468,617
1999	63,556,253	3,819,687	1,140,575	1,045,744	4,906,694	1,223,804	7,405,759	1,341,143	1,029,968	1,046,944	284,497	-	86,801,069
1998	59,555,988	6,461,495	1,133,510	1,211,641	4,754,508	1,179,559	7,787,185	1,447,535	1,016,478	1,973,553	342,965	256,395	87,120,812
1997	53,224,325	6,284,834	1,213,602	1,057,226	4,292,406	1,063,316	7,467,920	1,185,865	533,452	1,684,303	1,109,839	-	79,117,008
1996	52,254,876	4,027,150	1,234,404	691,663	4,027,354	375,511	6,948,891	764,781	1,542,976	565,550	649,781	-	73,082,937

* Includes all General Fund and Special Revenue Funds expenditures, other than the intergovernmental AEA flow-through.

** Does not include AEA Flowthrough of \$4,211,176, \$4,146,957, \$4,418,663, \$4,429,550, \$4,464,963, \$4,326,149, \$4,202,947, \$4,043,892, \$3,914,520, and \$3,725,668 for years ended June 30, 2005, 2004, 2003, 2002, 2001, 2000, 1999, 1998, 1997, and 1996, respectively.

Source: School District financial records.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

FOR THE YEARS ENDED JUNE 30, 1996 - 2005

GOVERNMENT FUND TYPES

PROPERTY TAX LEVIES

<u>LEVY YEAR</u>	<u>General and Special Revenues</u>	<u>Debt Service</u>	<u>Total</u>
2005	\$ 29,387,040	\$ 1,070,483	30,457,523
2004	28,469,298	1,064,338	29,533,636
2003	26,739,377	1,064,601	27,803,978
2002	24,378,116	1,112,650	25,490,766
2001	23,386,180	1,419,759	24,805,939
2000	21,072,545	1,420,157	22,492,702
1999	21,502,562	1,424,508	22,927,070
1998	20,517,839	1,422,263	21,940,102
1997	21,011,101	1,210,494	22,221,595
1996	22,645,557	1,210,356	23,855,913

PROPERTY TAX COLLECTIONS
(INCLUDING DELINQUENTS)

2005	\$ 29,142,514	\$ 1,061,085	30,203,599
2004	28,266,348	1,057,513	29,323,861
2003	26,551,220	1,049,275	27,600,495
2002	23,802,261	1,093,074	24,895,335
2001	23,276,232	1,411,158	24,687,390
2000	21,010,590	1,418,025	22,428,615
1999	21,867,259	1,442,693	23,309,952
1998	20,440,576	1,414,016	21,854,592
1997	19,632,251	1,200,741	20,832,992
1996	22,422,652	1,197,810	23,620,462

PERCENTAGE COLLECTED

2005	99.17%	99.12%	99.17%
2004	99.29%	99.36%	99.29%
2003	99.30%	98.56%	99.27%
2002	97.64%	98.24%	97.66%
2001	99.53%	99.39%	99.52%
2000	99.71%	99.85%	99.72%
1999	101.70%	101.28%	101.67%
1998	99.62%	99.42%	99.61%
1997	93.44%	99.19%	93.75%
1996	99.02%	98.96%	99.01%

SIoux CITY COMMUNITY SCHOOL DISTRICT

TAXABLE AND ESTIMATED ACTUAL VALUE

LAST TEN YEARS

<u>Levy Year</u>	<u>Collection Year</u>	<u>Real Property</u>		<u>Utilities</u>		<u>Total</u>		<u>Taxable to Estimated Actual Value</u>
		<u>Taxable Value</u>	<u>Estimated Actual Value</u>	<u>Taxable Value</u>	<u>Estimated Actual Value</u>	<u>Taxable Value</u>	<u>Estimated Actual Value</u>	
2004	2005-06	\$ 1,852,515,843	\$ 2,940,704,508	\$ 156,807,722	\$ 168,313,875	\$ 2,009,323,565	3,109,018,383	64.63%
2003	2004-05	1,842,151,819	2,840,214,896	153,862,116	152,260,311	1,996,013,935	2,992,475,207	66.70%
2002	2003-04	1,654,774,185	2,854,340,891	163,036,726	163,036,726	1,817,810,911	3,017,377,617	60.24%
2001	2002-03	1,852,128,334	2,739,834,814	131,169,795	194,038,158	1,983,298,129	2,933,872,972	67.60%
2000	2001-02	1,763,995,632	2,642,935,536	130,785,035	158,295,651	1,894,780,667	2,801,231,187	67.64%
1999	2000-01	1,491,923,746	2,284,955,814	159,588,181	159,588,181	1,651,511,927	2,444,543,995	67.56%
1998	1999-00	1,461,269,271	2,252,453,761	174,101,416	174,101,416	1,635,370,687	2,426,555,177	67.39%
1997	1998-99	1,401,651,821	2,211,771,217	188,797,886	188,800,940	1,590,449,707	2,400,572,157	66.25%
1996	1997-98	1,271,733,257	1,903,051,389	161,211,834	161,584,893	1,432,945,091	2,064,636,282	69.40%
1995	1996-97	1,286,717,270	2,022,624,920	143,325,313	155,217,963	1,430,042,583	2,177,842,883	65.66%

Sources: Woodbury County, Dennis Butler, Budget/Tax Analyst
 Plymouth County, Kae Meyer, Auditor

SIOUX CITY COMMUNITY SCHOOL DISTRICT

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION

ALL DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN YEARS ENDED JUNE 30, 2005

<u>Levy Year*</u>	<u>Collection Year</u>	<u>Taxes</u>	Woodbury	Plymouth County	
			<u>County</u>	<u>Perry Twp.</u>	<u>Hancock Twp.</u>
2003	2004-05	Sioux City	17.78712	-	-
		Twp.	-	0.43445	0.61181
		College Area XII	0.57204	0.69873	0.69873
		State & County	8.14959	8.22670	8.22670
		Sioux City Community School	<u>17.01647</u>	<u>17.49975</u>	<u>17.49975</u>
		Total Levy	<u>43.52522</u>	<u>26.85963</u>	<u>27.03699</u>
Ratio of Sioux City Community School to Totals			0.39096	0.65153	0.64725
2002	2003-04	Sioux City	16.43302	-	-
		Twp.	-	0.20253	0.62233
		College Area XII	0.54141	0.57204	0.57204
		State & County	7.74811	7.87135	7.87135
		Sioux City Community School	<u>16.15094</u>	<u>17.01647</u>	<u>17.01647</u>
		Total Levy	<u>40.87348</u>	<u>25.66239</u>	<u>26.08219</u>
Ratio of Sioux City Community School to Totals			0.39514	0.66309	0.65242
2001	2002-03	Sioux City	16.00121	-	-
		Twp.	-	0.21622	0.63714
		College Area XII	0.94432	0.94866	0.94866
		State & County	7.49850	6.30684	6.30684
		Sioux City Community School	<u>15.77004</u>	<u>15.83711</u>	<u>15.83711</u>
		Total Levy	<u>40.21407</u>	<u>23.30883</u>	<u>23.72975</u>
Ratio of Sioux City Community School to Totals			0.39215	0.67945	0.66739
2000	2001-02	Sioux City	14.40683	-	-
		Twp.	-	0.21653	0.34005
		College Area XII	0.62121	0.62121	0.62121
		State & County	7.37689	6.19206	6.19206
		Sioux City Community School	<u>14.43527</u>	<u>14.43527</u>	<u>14.43527</u>
		Total Levy	<u>36.84020</u>	<u>21.46507</u>	<u>21.58859</u>
Ratio of Sioux City Community School to Totals			0.39183	0.67250	0.66865
1999	2000-01	Sioux City	14.40724	-	-
		Twp.	-	0.21089	0.35058
		College Area XII	0.60985	0.60985	0.60985
		State & County	6.91845	5.94981	5.94981
		Sioux City Community School	<u>14.69557</u>	<u>14.69557</u>	<u>14.69557</u>
		Total Levy	<u>36.63111</u>	<u>21.46612</u>	<u>21.60581</u>
Ratio of Sioux City Community School to Totals			0.40118	0.68459	0.68017
1998	1999-00	Sioux City	14.47291	-	-
		Twp.	-	0.23474	0.37349
		College Area XII	0.55951	0.55951	0.55951
		State & County	6.33314	5.95792	5.95792
		Sioux City Community School	<u>13.64809</u>	<u>13.64809</u>	<u>13.64809</u>
		Total Levy	<u>35.01365</u>	<u>20.40026</u>	<u>20.53901</u>
Ratio of Sioux City Community School to Totals			0.38979	0.66902	0.66450

SIOUX CITY COMMUNITY SCHOOL DISTRICT
PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION

ALL DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN YEARS ENDED JUNE 30, 2005

<u>Levy Year*</u>	<u>Collection Year</u>	<u>Taxes</u>	Woodbury	Plymouth County	
			<u>County</u>	<u>Perry Twp.</u>	<u>Hancock Twp.</u>
1997	1998-99	Sioux City	14.44746	-	-
		Twp.	-	0.25235	0.35589
		College Area XII	0.59515	0.59515	0.59515
		State & County	6.18015	6.07637	6.07637
		Sioux City Community School	<u>14.30640</u>	<u>14.30640</u>	<u>14.30640</u>
		Total Levy	<u>35.52916</u>	<u>21.23027</u>	<u>21.33381</u>
Ratio of Sioux City Community School to Totals			0.40267	0.67387	0.67060
1996	1997-98	Sioux City	15.71526	-	-
		Twp.	-	0.17733	0.38930
		College Area XII	0.60796	0.60796	0.60796
		State & County	6.71304	6.15310	6.15310
		Sioux City Community School	<u>15.21554</u>	<u>15.21554</u>	<u>15.21554</u>
		Total Levy	<u>38.25180</u>	<u>22.15393</u>	<u>22.36590</u>
Ratio of Sioux City Community School to Totals			0.39777	0.68681	0.68030
1995	1996-97	Sioux City	14.97059	-	-
		Twp.	-	0.23920	0.39964
		College Area XII	0.53266	0.53266	0.53266
		State & County	7.18487	6.01587	6.01587
		Sioux City Community School	<u>14.60141</u>	<u>14.60141</u>	<u>14.60141</u>
		Total Levy	<u>37.28953</u>	<u>21.38914</u>	<u>21.54958</u>
Ratio of Sioux City Community School to Totals			0.39157	0.68266	0.67757
1994	1995-96	Sioux City	15.02389	-	-
		Twp.	-	0.19970	0.46430
		College Area XII	0.53795	0.53795	0.53795
		State & County	7.23517	6.12940	6.12940
		Sioux City Community School	<u>16.73017</u>	<u>16.73017</u>	<u>16.73017</u>
		Total Levy	<u>39.52718</u>	<u>23.59722</u>	<u>23.86182</u>
Ratio of Sioux City Community School to Totals			0.42326	0.70899	0.70113

*Tax rates expressed in dollars per thousand of assessed valuation.

Sources: Plymouth County Tax Levies, Kae Meyer, Auditor
Woodbury County Tax Levies, Dennis Butler, Deputy Auditor

SIOUX CITY COMMUNITY SCHOOL DISTRICT

COMPARATIVE RATIO OF GENERAL BONDED DEBT TO ASSESSED TAXABLE VALUES

LAST TEN YEARS

<u>Collection Year</u>	<u>Population Estimates</u>	<u>Assessed Values of Property</u>	<u>Bonded Debt</u>	<u>Ratio of Bonded Debt To Assessed Value</u>	<u>Bonded Debt Per Capita</u>
2004-05	85,013	\$ 3,040,743,996	\$ 7,485,232	0.25%	\$ 88
2003-04	85,013	2,992,475,207	9,620,341	0.32%	113
2002-03	85,013	2,000,976,453	10,874,919	0.54%	128
2001-02	85,013	1,894,780,667	12,244,301	0.65%	144
2000-01	83,791	1,862,280,623	13,600,784	0.73%	162
1999-00	83,791	1,635,370,687	14,617,754	0.89%	174
1998-99	83,791	1,590,449,707	15,924,449	1.00%	190
1997-98	83,791	1,432,945,091	15,571,116	1.09%	186
1996-97	83,791	1,430,042,583	16,063,028	1.12%	192
1995-96	83,791	1,420,793,376	17,314,803	1.22%	207

Source: Woodbury County, Dennis Butler, Deputy Auditor
State Library, Beth Henning
Jan Hueson

SIOUX CITY COMMUNITY SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDED JUNE 30, 2005

<u>Name of Governmental Unit</u>	<u>Total Gross Debt Outstanding</u>	<u>Percentage Applicable to Sioux City Community School District</u>	<u>Sioux City Community School District's Share of the Debt</u>
<u>Direct:</u>			
Sioux City Community School District	\$ 8,985,234	100.0%	\$ 8,985,234
<u>Overlapping:</u>			
Plymouth County	\$ 4,590,000	19.0%	\$ 872,100
Woodbury County	1,840,000	64.6%	1,188,640
Sioux City Corporate	102,435,000	98.0%	100,386,300
Western Iowa Tech. Community College	<u>15,390,000</u>	30.0%	<u>4,613,922</u>
Total Overlapping	<u>\$ 124,255,000</u>		<u>\$ 107,060,962</u>
Total	<u>\$ 133,240,234</u>		<u>\$ 116,046,196</u>

Sources: Plymouth County, Kae Meyer, Auditor
Woodbury County, Dennis Butler, Deputy Auditor
Troy Jasman, WIT
Finance Records - City of Sioux City
School District Records

SIOUX CITY COMMUNITY SCHOOL DISTRICT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT

TO TOTAL GENERAL EXPENDITURES

LAST TEN YEARS

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures*</u>	<u>Ratio of Debt Service To Total General Expenditures</u>
2004-05	\$ 825,000	\$ 245,488	\$ 1,070,488	\$ 112,428,947	0.95%
2003-04	795,000	269,338	1,064,338	104,570,296	1.02%
2002-03	725,000	339,602	1,064,602	96,028,457	1.11%
2001-02	675,000 **	437,650	1,112,650	96,028,457	1.16%
2000-01	640,000	469,650	2,686,671	92,372,324	2.91%
1999-00	610,000	500,150	1,881,545	88,468,617	2.13%
1998-99	585,000	529,400	1,898,453	87,578,205	2.17%
1997-98	555,000	557,150	1,479,867	87,479,180	1.69%
1996-97	535,000	583,900	1,429,011	83,031,608	1.72%
1995-96	510,000	608,763	1,199,518	73,951,257	1.62%

* Includes all General Fund and Special Revenue Funds expenditures, other than the intergovernmental AEA flow-through.

** Does not include advance refunding bond principal payment.

Does not include debt service on Sales Tax Revenue Bonds

Sources: School District financial records.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

GENERAL ANALYSIS OF FACILITIES, CLASSROOMS AND STAFFING

FOR THE YEAR ENDED JUNE 30, 2005

<u>Name of School</u>	<u>Date Constructed</u>	<u>Grades Served**</u>	Official Enrollment Third Friday in <u>September 2004</u>	<u>Number of Classrooms</u>	<u>+Teachers Actively Employed</u>	<u>Student/Teacher Ratio</u>
East High	1972	9-12	1,272	75	66	19.27
North High	1972	9-12	1,463	85	74	19.77
West High	1972	9-12	1,279	98	74	17.28
ILC (Central Campus)	1951	9-12	355	28	18	19.72
Foster care, delinquent and other institutions		6-12	38		1	***
East Middle	2002	6-8	960	54	69	13.91
North Middle	2004	6/8	1,197	86	79	15.15
West Middle	2002	6-8	1,063	55	67	15.87
Bryant Elementary	1890	K-5	468	20	21	22.29
Clark Elementary	1957	K-5	223	17	12	18.58
Crescent Park Elementary	1920	K-5	302	29	19	15.89
Emerson Elementary	1921	K-5	260	15	14	18.57
Everett Elementary	1888	K-5	328	28	21	15.62
Hawthorne Elementary	1891	K-2	244	24	14	17.43
Hunt Elementary	1906	K-5	269	18	17	15.82
Irving Elementary	1886	K-5	337	19	21	16.05
Joy Elementary	1912	K-5	275	15	17	16.18
Leeds Elementary	1938	3-5	225	23	11	20.45
Lincoln Elementary	1953	K-5	265	14	13	20.38
Longfellow Elementary	1893	K-5	265	19	18	14.72
Lowell Elementary	1910	K-5	252	18	15	16.80
McKinley Elementary	1921	K-5	217	17	13	16.69
Nodland Elementary	1969	K-2	191	17	13	14.69
Riverside Elementary	1914	K-5	474	29	31	15.29
Roosevelt Elementary	1920	K-5	226	18	12	18.83
Smith Elementary	1899	K-5	405	24	21	19.29
Sunnyside Elementary	1957	3-5	199	16	12	16.58
Washington Elementary	1921	K-5	407	22	24	16.96
Whittier Elementary	1902	K-5	<u>373</u>	<u>22</u>	<u>21</u>	17.76
Shared Time*			32			
Home School*			86			
Tuition (out)			71			
Open Enrollment (out)*			<u>255</u>			
 Total			<u><u>14,276</u></u>	<u><u>905</u></u>	<u><u>808</u></u>	

* Weighted Count

** Special Education in all buildings

+ Classroom staff only

SIOUX CITY COMMUNITY SCHOOL DISTRICT

DISTRICT STAFFING LEVELS

FULL-TIME EQUIVALENCY

LAST TEN YEARS

JUNE 30, 2005

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Administration:										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principals	26.0	25.0	26.5	27.0	27.0	27.0	28.0	28.0	27.0	27.0
Assistant Principals	13.5	10.0	10.5	10.0	10.0	10.0	11.0	10.5	11.0	10.0
Other Officials/Admin.	<u>28.0</u>	<u>28.0</u>	<u>27.0</u>	<u>25.0</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>	<u>21.6</u>	<u>16.1</u>	<u>18.1</u>
Subtotal	69.5	65.0	66.0	64.0	61.0	61.0	63.0	62.1	56.1	57.1
Teachers:										
Regular	758.5	760.5	786.9	805.0	798.5	788.2	797.4	813.4	773.6	770.5
Special Programs	166.5	153.5	156.6	163.8	163.3	162.8	167.8	170.6	177.0	175.0
Counselors	27.5	27.5	28.0	28.0	28.0	25.0	24.0	24.0	27.0	39.5
Media Specialists	<u>9.5</u>	<u>9.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.8</u>	<u>12.0</u>	<u>12.0</u>	<u>11.0</u>
Subtotal	962.0	951.0	983.0	1,008.3	1,001.3	987.5	1,001.0	1,020.0	989.6	996.0
Support Personnel:										
Nurse (RN)	8.6	8.6	8.5	8.5	8.5	8.5	8.5	9.0	9.0	9.0
Finance Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Other Professionals	21.4	22.5	19.0	19.6	27.4	16.2	12.1	15.0	11.0	9.0
Instructional Assistants	199.1	179.6	177.0	214.1	210.0	201.8	198.2	194.2	174.7	176.7
Office/Clerical Personnel	118.5	121.2	127.0	83.7	83.0	82.8	84.2	87.9	86.6	87.7
Crafts and Trades Personnel	22.0	24.0	25.0	23.0	24.0	25.1	27.0	29.0	28.5	28.0
Operative Personnel	29.1	22.0	20.0	18.4	20.9	20.3	21.8	21.3	20.5	20.7
Laborers	14.0	13.0	14.0	15.0	15.0	15.0	15.0	11.0	13.0	17.0
Service Workers	<u>78.1</u>	<u>77.1</u>	<u>80.3</u>	<u>81.8</u>	<u>84.1</u>	<u>81.7</u>	<u>88.2</u>	<u>91.9</u>	<u>94.5</u>	<u>117.0</u>
Subtotal	491.8	469.0	471.8	465.1	473.9	452.4	456.0	460.3	438.8	465.1
Total	1,523.3	1,485.0	1,520.8	1,537.4	1,536.2	1,500.9	1,520.0	1,542.4	1,484.5	1,518.2

SIoux CITY COMMUNITY SCHOOL DISTRICT

OFFICIAL ENROLLMENT BY GRADE

LAST TEN YEARS

<u>Grade</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2000-01</u>	<u>1999-00</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>	<u>1995-96</u>
Preschool	80	68	68	75	58	71	89	83	71	71
Kindergarten	1,120	1,078	1,078	1,036	1,067	1,070	1,132	1,126	1,129	1,174
1	1,028	1,030	1,030	1,045	1,011	1,139	1,123	1,108	1,151	1,118
2	1,001	1,025	1,025	997	1,047	1,074	1,103	1,111	1,084	1,105
3	994	1,012	1,012	1,029	1,103	1,094	1,103	1,086	1,074	1,016
4	980	1,053	1,053	1,059	1,044	1,108	1,064	1,048	1,003	1,116
5	1,002	1,081	1,081	1,038	1,052	1,036	1,031	998	1,066	1,065
6	1,116	1,075	1,075	1,061	1,090	1,012	966	1,035	1,066	1,163
7	1,044	1,053	1,053	1,080	1,034	961	1,024	1,045	1,129	1,085
8	1,060	1,092	1,092	1,009	998	1,016	1,031	1,108	1,070	1,067
9	1,112	1,063	1,063	1,018	1,007	1,052	1,113	1,126	1,134	1,147
10	1,053	1,026	1,026	1,032	1,052	1,108	1,154	1,144	1,145	1,111
11	1,002	1,035	1,035	1,390	1,027	1,074	1,116	1,084	1,093	1,054
12	1,202	1,222	1,222	908	1,304	1,369	1,271	1,268	1,162	1,143
*ILC	*	*	*	*	*	*	*	*	*	*
Basic Enrollment	13,794	13,913	13,913	13,777	13,894	14,184	14,320	14,370	14,377	14,435
Tuition Students	509	485	297	315	352	464	435	428	381	357
Net Open Enrollment	(131)	(94)	(95)	(79)	(64)	(73)	(50)	(65)	(57)	(52)
Dual Enrollment, Home Schools	<u>104</u>	<u>101</u>	<u>100</u>	<u>90</u>	<u>84</u>	<u>70</u>	<u>60</u>	<u>49</u>	<u>37</u>	<u>67</u>
	<u>14,276</u>	<u>14,405</u>	<u>14,405</u>	<u>14,261</u>	<u>14,394</u>	<u>14,645</u>	<u>14,765</u>	<u>14,782</u>	<u>14,738</u>	<u>14,807</u>

*Individualized Learning Center students with grade count
 Source: School District reports and enrollment records.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

OPERATING COST PER PUPIL

LAST TEN YEARS

<u>Year</u>	<u>Total Costs *</u>	<u>CAR Average ** Daily Attendance</u>	<u>Cost/Pupil</u>
2004-05	\$ 112,428,947	13,236	\$ 8,494
2003-04	106,137,258	14,190	7,480
2002-03	105,011,562	13,353	7,864
2001-02	100,274,294	15,383	6,519
2000-01	96,837,287	12,660	7,649
1999-00	92,794,766	12,735	7,287
1998-99	91,004,015	12,836	7,090
1997-98	91,164,704	13,384	6,811
1996-97	83,031,608	13,160	6,309
1995-96	73,951,257	13,160	5,619

* Includes all General Fund and Special Revenue funds expenditures.

** Certified Annual Report filed with the Iowa Department of Education.

Source: School District financial and enrollment records.

SIoux CITY COMMUNITY SCHOOL DISTRICT

INSURED PROPERTY VALUES AND BANK DEPOSITS

LAST TEN YEARS **

<u>Year*</u>		<u>Insured Property Values</u>	<u>Bank Deposits**</u>
2005	\$	213,951,557	\$ -
2004		187,626,583	-
2003		189,991,023	-
2002		189,991,023	-
2001		175,809,341	-
2000		175,182,388	-
1999		175,467,170	-
1998		173,798,457	1,351,365,119
1997		164,811,384	1,421,353,415
1996		159,858,804	1,356,625,098

Above includes years for which insurance information is available.

Sources: School District financial and insurance records
Puetz Insurance
Morningside Bank and Trust
First Federal Savings Bank
Norwest Bank
First Star Bank

* Calendar year totals

****Due to change in state banking laws this information is no longer available at the local level**

SIOUX CITY COMMUNITY SCHOOL DISTRICT

FINANCIAL SOLVENCY RATIO

FINANCIAL SOLVENCY RATIO -

UNRESERVED UNDESIGNATED GENERAL FUND BALANCE

DIVIDED BY ACTUAL REVENUES

<u>School Year</u>	<u>Unreserved Undesignated General Fund Balance</u>	<u>Actual Revenues</u>	<u>Financial Solvency Ratio*</u>
2004-05	\$ 2,699,497 *	\$ 109,301,456	2.47%
2003-04	2,801,788	104,260,349	2.69%
2002-03	1,801,893	103,621,820	1.74%
2001-02	1,217,435	97,818,986	1.24%
2000-01	875,535	95,230,744	0.92%
1999-00	1,476,519	90,995,863	1.62%
1998-99	297,914	87,464,395	0.34%
1997-98	-	83,156,773	0.00%
1996-97	2,456,429	77,863,654	3.15%
1995-96	4,170,381	71,396,822	5.84%

* If the \$5,500,000 fund balance designated for cash flow is added to the unreserved fund balance, the financial solvency ratio calculates to 7.50%.

Financial Solvency Ratio:

A Ratio that measures movement and distribution of current assets.

Represents a school district's year end position after payment of all current and outstanding or accrued, liabilities from all current and outstanding, or accrued, assets. A Financial Solvency Ratio that increases over time indicates an improved financial position relative to the size of the budget.

Ranges utilized are:

TARGETED SOLVENCY POSITION: Financial Solvency Ratio ranging from 5% to 10% of Actual Revenues. A school district is able to meet unforeseen financing requirements and presents a sound risk for the timely repayment of short-term debt obligations.

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

SOLVENCY ALERT: Financial Solvency Ratio approaching (3.00%) of Actual Revenues.

SOLVENCY CONCERN: Financial Solvency Ratio exceeding (3.00%) or more of Actual Revenues.

SIoux CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

The Sioux City Community School District includes all of the City of Sioux City, in Woodbury County, and portions of the townships Woodbury and Concord in Woodbury County, and portions of the townships of Hancock and Perry in Plymouth County in the State of Iowa. The District encompasses an area of 62.79 square miles. The District office is located at 1221 Pierce Street, Sioux City, Iowa 51105-1497.

The District owns and operates twenty-nine schools plus an administrative service center, vehicle maintenance facility, operations and maintenance center and a food preparation building. The following data provides the grade levels housed in each building:

	<u>95-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>	<u>00-01</u>	<u>01-02</u>	<u>02-03</u>	<u>03-04</u>	<u>04-05</u>
HIGH SCHOOLS										
Individualized Learning Center	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12
Central Campus (Career Education Center)	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12
East High School	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12
North High School	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12
MIDDLE SCHOOLS										
East Middle School	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8
Hayworth Middle School					6	6	6			
Hoover Middle School	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8		
North Middle School									6-8	6-8
West Middle School	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8
Woodrow Wilson M.S.	6-8	6-8	6-8	6-8	6-8	6-8	6-8	6-8		
ELEMENTARY										
Bryant	K-5									
Clark	K-5									
Crescent Park	K-5									
Emerson	K-5									
Everett	K-5									
Grant (closed FY04)	K-5									
Hawthorne	K-2									
Hunt	K-5									
Irving	K-5									
Joy	K-5									
Leeds	3-5	3-5	3-5	3-5	3-5	3-5	3-5	3-5	3-5	3-5
Lincoln	K-5									
Longfellow	K-5									
Lowell	K-5									
McKinley	K-5									
Nodland	K-5	K-2	K-2							
Riverside	K-5									
Riverside Center	SPED	SPED	SPED	6	6	K-6	K-6	K-5	K-5	K-5
Roosevelt	K-5									
Smith	K-5									
Sunnyside	K-5	3-5	3-5							
Washington	K-5									
Whittier	K-5									

SIoux CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

SCHOOLS:

For the first time in 30 years, the District completed construction of three new school buildings. West Middle School and East Middle were finished in 2003 and North Middle School was completed in 2004.

East, North and West High Schools were all built at the same time and opened in the fall of 1972 following a successful bond issue of 13.5 million dollars. This represented the largest single bond voted for schools within the State of Iowa's history. Each high school building was strategically located in the three geographic residential centers within the city. At that time the Central Campus and Individualized Learning Center were opened in the remodeled gymnasium of the old Central High School, which was closed in the spring of 1972. The District's oldest buildings include Irving Elementary built in 1886, Everett Elementary built in 1888 and Bryant Elementary built in 1890. Nineteen or 65% of the District's buildings were built before 1940.

The District leases Olsen Stadium from Morningside College which was built in 1940 by the WPA with a seating capacity of 7,000. The stadium's entire site is approximately 16.5 acres with parking lots totaling 365,989 sq. ft., space for 1,000 vehicles. This site consists of a football field, an all-weather athletic track and aluminum bleachers on a concrete base. There is a two story complex with a total of 3,811 sq. ft. which houses the press box, ten rooms, and two concession buildings equipped with restrooms. This stadium is used by the School District as well as Morningside College and is the site of the annual Sioux City Relays.

The Education Service Center (E.S.C.) houses offices for District Directors plus the meeting room for the Board of Education, and conference rooms. Additional offices for the Equity/Indian Education Program, payroll, finance, head teachers, District media center and mailroom.

STAFF AND CURRICULUM:

The Sioux City Community Schools takes pride in their excellent workforce. The 29 building staffs and administrative service center personnel are composed of 71 administrators, 984 teachers and 743 support staff. The professional staff is composed of teachers and specialists in the areas of art, music, physical education and counseling. Instructional Assistants assist in preparation of materials and reinforcement of direct teaching activities. Secretaries, operation and maintenance personnel, custodial personnel, bus drivers and food service workers provide service essential to the creation of a positive learning environment for students.

Following are listed a variety of activities that were directed and/or coordinated by the Superintendent of Schools for the improvement of our learning climate for students and educators:

- The District has one full time technology specialist who develops computer training and enrichment programs for teachers, administrators and secretaries. A full time network administrator oversees the networking at all the buildings while three full time technicians manage computer repair needs at all building sites. A full time help desk specialist is also in place for all staff to access. Administrators and necessary support staff have been trained to use the software program *Pentamation* that is supervised by two full time MIS specialists. A permanent IT/GIS Engineer is on staff to manage the changing school boundaries and assist with bus routes. Schools have automated library checkout systems, and computer labs have been established in the high schools.
- Teachers are involved in grade level and subject matter meetings, which promote and enhance articulation of the subject matter.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

- Science teachers participated in the following training programs:
Elementary Training Foss Kit, K-12
Integration of Children’s Literature and Science, Levels A and B, K-8
- The District continues to maintain an active Staff Development Calendar focusing on *Shared Decision-Making/Continuous Quality Improvement, MISTL Training, School Improvement Plans, and Special Education Mandates and Compliance Issues*. In addition the District’s staff received training in Hazardous Chemicals, The Right To Know, Child Abuse Reporting, Bloodborne Pathogens, English As a Second Language, Drug and Substance Abuse Prevention, Talented and Gifted Education, Tech Prep, Gender/Ethnic Expectations and Student Achievement (GESA), CPR and Project Respecting Ethnic and Cultural Heritage (REACH).
- A comprehensive program of Building-Based, Shared Decision-Making was implemented in all buildings. This program was phased in beginning with the 1993-94 school year and was financed from the District’s Program Funds.
- The District, to insure learning, has trained teachers and administrators in the areas of cooperative learning, whole language instruction, alternative student assessment, higher level thinking skills, utilization of technology, educating *At-Risk* students and other current and appropriate educational strategies.
- The District offers a K-5 counseling program, which results in a coordinated K-12 guidance program.
- This District has developed a five year building and grounds maintenance plan, through Operations & Maintenance, to ensure facilities enhancing educational opportunities for all students.
- The District has organized an Assessment Team, which meets monthly to plan, coordinate and analyze the results of various assessments. The work of this group is keenly important due to the requirements of the No Child Left Behind legislation.
- Community and Parent involvement continues to be a “must” in this District. Community and staff members attend monthly meetings of the Curriculum Council. Reading Volunteers numbering 53 have been trained and placed in our elementary buildings.

POPULATION:

The population of the Sioux City Community School District is approximately 85,130. The school enrollment in September 2004 was 14,276 students - 4,369 senior high students, 3,220 middle school students, 6,125 elementary students, 80 preschool students and an additional count of 377-weighted enrollment and other facilities.

A fleet of 53 buses is owned by the District to serve the transportation needs. A total of 50 bus routes; 27 special education routes and 5 noon pre-school routes operate daily. Coaches and activity directors may bid on school buses or commercial buses for trips. The Sioux City Transit System provides 5 routes daily.

Student lunches are prepared at Hobson Central Kitchen and number 1,540,581 annually. The kitchen also prepares approximately 398,336 breakfasts and 54,000 snacks annually. All “Type A” meals are prepared at Central Kitchen and transported to 29 service areas. Secondary schools do have limited preparation equipment and serve Ala Carte items as well.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

DISTRICT AWARDS OVER THE LAST FOUR YEARS:

The following is a summary of various awards and positions held by specific individuals, buildings, and school organizations and as a District, over the last four years.

Individuals

District individuals have served and been awarded the following recognition:

2005 Awards:

East High Awards

Individuals:

Jeff Vanderloo, Head Boys Basketball Coach -NW Iowa Coach of the Year

Tim West, Assistant Boys Basketball Coach -NW Iowa Assistant Coach of the Year

Rich Vanderloo, Athletic Director -Iowa Administrator of the Year Award and NW Iowa Athletic Director of the Year

Girls Basketball -Team awarded Academic All State Excellence Level – 3.5 & above GPA

Softball - Bob Michaelson, Softball coach – District Coach of the Year

Student Council

- EHS Student Council was an Honor Council at the Iowa Student Leadership Conference

West High Awards

Individuals:

Dr. Mike McTaggart (Principal):

- Northwest Iowa Secondary Principal of the Year
- SAI Finalist Secondary Principal of the Year
- ISCA Secondary Principal of the Year

Paula Hamp-Nelson- Council for Exceptional Children – Outstanding Teacher of the Year Award

Josh Lewis -District Champion Cross Country 2004

West High Student Council - Top Honor Council for 15 consecutive years

Jazz Choir- 1st Place, USD Coyote Jazz Festival

North High

Jazz Band – State Champions

Boys Tennis- Team Conference Champions

Girls Tennis – MRAC Team Champions

Boys & Girls Cross Country – City and conference Champions

East Middle – Pam Anderson – Woman of Excellence 2005

North Middle – Three math teams qualified for the state math competition in Marshalltown, IA

Riverside Elementary – Mrs. White – Sam's Club Teacher of the Year

Hawthorne Elementary – Kerry Crawford – award for Outstanding Special Education Teacher of the Year

Hunt Elementary – Walmart Teacher of the Year

Roosevelt Elementary – Principal Jean Carlson – Siouxland Cares Volunteer of the Year

Bryant Elementary – Dr. Rita Vannatta 2005 Principal of the Year. Dr. Vannatta represented Iowa at the

National Distinguished Principal recognition in Washington, DC.

2004 Awards:

- 4th Grade Finalist in Sioux City Ambassadors Contest- Washington School 2004
- A teacher nominated for Who's Who in America – Leeds School 2004
- Teacher of Excellence – Grand Lodge of Iowa- Roosevelt School 2004
- Woodbury County Flag Award Design – Woodrow Wilson student
- 6th Grade Regional Math Bee - 8 students placed – Hoover Middle School 2004
- 6th Grade State Math Bee - 6 students placed - Hoover Middle School 2004

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

East High School:

- Mr. Claire Dirks longtime mathematics instructor with the Sioux City Community School District employed at East High School retired at the end of the 2003–2004 school year and has been honored with an annual non-renewable award in his name. The \$1,000 Claire Dirks Mathematics Scholarship is awarded annually to an outstanding East High graduate who declares the intention to pursue an undergraduate study in mathematics, computer science, engineering, or closely related discipline.
- Mr. Fritz Burow, Language Arts instructor at EHS was President of the Sergeant Bluff Kiwanis Club for 2003–2004.
- Mr. Fritz Burow donated 8 gallons of blood at Siouxland Blood Bank during the 2003-2004 school year.

Dance Team awards for the 2003-2004 school year-EHS:

- State – 4th place in Pom
- State – 4th place in Jazz
- State – 3rd place in Prop
- Placed 4th in State Solo competition
- Placed 2nd in Regionals competition
- Regional - Super Sweepstakes
- Regional - Winner Circle Award
- Regional - Superior ratings in Pom, Jazz & Prop
- Regional - Highest award for outstanding Jazz choreography
- Rhythmettes:
 - Regionals – Superior ratings in Military & Pom
 - Regionals – Outstanding choreography awards for Military & Pom

Boys Golf – Conference Champs

Boys Basketball – substate tournament qualifiers

- Jeff Vanderloo, head boys basketball coach at EHS was selected by Morningside College Hall of Fame as Coach of the Year
- Wrestling Team awards for 2003-2004 school year-EHS:
 - 4 students were MRAC Individual Wrestling Champions
 - MRAC Team Champions - East High
 - MRAC Team Champion Coach - Phil Hamman
 - 2 students were District Individual Champions
 - 2 students were State Individual Qualifiers
 - State Champion - 189 Andrew Anderson
 - State 7th place - 103 Jeff Miller

Pat Biddle – Yearbook Instructor received Yearbook Award of Excellence

- 12th grader during 2003-2004 school year was a National Merit Scholarship finalist.
-

West High School:

- Honor Council with Meritorious Distinction - West High School Student Council
- Who's Who Among American Teachers-1 teacher nominated
- AMC 10 Winner (American Mathematics Competition)
- AMC 12 Winner (American Mathematics Competition) - 3 students
- National Mathematics Award:
 - Trigonometry - 8 students
 - Calculus - 8 students
- National Student Council Award - 11 students

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

- Certificate of Membership to National Spanish Honor Society - 46 students (Sociedad Honoraria Hispanica) for excellence in the study of Spanish)
- National Percussion Festival Award - Sioux City West High School Percussion Ensemble at the National Percussion Festival Indianapolis, Indiana

North High School:

- Debate - National Outstanding Office & Delegate of International Legislation
- Dance Squad - State Champions: Military, All Male Open
- Dance Squad - National Champions - Novice; Military and Prop
- Speech - National Champions - Large School: Co-ed
- Speech - 14 students - All State recognition
- Cross country - 1 student academic All-State
- Quiz Bowl - Regional Championship (KTIV)
- Orchestra - 3 students All-State
- Student Council - Meritorious Distinction for Service of Community and School
- Boys Tennis - 6th Place - State Singles
- Band - 15 students - All State

2003 Awards

- NHS student - 1st Team All State Baseball 2003
- 4 NHS students - Boys Soccer All-State 2003
- NHS student - 1st Team All State Football 2003
- HS Boys Golf team-state qualifiers
- Girls Track - 8 state qualifiers - NHS 2003
- Girls Softball - 4 State team members - NHS 2003
- Girls Volleyball - 1 All-State team member - NHS 2003
- Girls Basketball - 1 All-State team member - NHS 2003
- NHS - National Merit Scholar Student 2003
- Quiz Bowl Team - Regional Tournament winner 2003
- Mrs. Patty Mason, Counselor received an outstanding contribution/involvement award from the Sioux City Community Theater
- Show Choir - Grand Champions @ Albert Lee Invitational and @ Heelan Invitational
- Show Choir - 1st runner-up @ Totino Grace Invitational
- Choir - Best of Center - 3 EHS students
- Choir - Superior rating @ Large Group contest
- Band - had 4 All State Instrumentalists
- Band - 2 All-State Jazz (one student was a 4-year All Stater - Joel Nagel)
- Wrestling - State Champion 189 weight - Andrew Anderson
- Wrestling - 3rd place State - Jeff Butcher
- Boys Basketball - All Tournament Select Team - Landon Scott
- Boys Basketball - MRAC Champions
- Boys Basketball - Morningside College Hall of Fame - Jeff Vanderloo, Coach
- Boys Basketball - Iowa Bankers Ass'n & IHSAA State Basketball Student Athlete Achievers Award - Josh Carper
- Girls Cross Country Team State of Iowa Academic All-Conference
- Girls Track - 2003 State High Jump Champion - Laura Tomes
- Boys Tennis – State qualifier placed 6th - Justin Junck
- Girls Swim - 4 students qualified for state in 200m relay and 200 IM & 100 BS
- Iowa High School Association Administrator of the Year Award - Rich Vanderloo
- NW Iowa AD of the Year - Rich Vanderloo
- Baseball - State qualifiers

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

- Baseball - Academic All State selection - Michael Washburn
- Baseball - Nominated for District Coach of the Year - Corey Loffswold (will be determined in February 2004)
- Baseball - 2nd place MRAC
- Raiderettes - Nat'l Contest of Champions in Florida
Superior rating in Pom – 4th place
Superior rating in Jazz, 10th place
Superior rating in lyrical
- Raiderettes - State dance contest in Des Moines
Division 1 rating in pom
Division 1 rating in lyrical – 1st place
Division 1 rating in jazz – 3rd place
Distinguished academic award
- Raiderettes - Regionals contest in SSC, NE
Winners circle award
Super sweepstakes
Outstanding jazz choreography
Outstanding pom choreography
Outstanding lyrical choreography
Outstanding dance tech
Superior rating in pom
Superior rating in jazz
Superior rating in lyrical
- Raiderettes – Midwest Regional Championships in Vermillion SD
2nd place in jazz
1st place in pom
- Rhythmettes - State dance contest in Des Moines
Division 1 rating in prop - 2nd place
Academic excellence award
- Rhythmettes - Regionals
Superior rating in pom
Superior rating in prop
- Yearbook - the 2003 Arrow Yearbook was given an award of excellence for the 6th year in a row
- Yearbook - Advisor, Pat Biddle was presented with the Award of Excellence for her work in advancing yearbook production
- The Air Force Commendation Medal has been awarded to Master Sergeant James A. Gunsolley for meritorious service from March 23, 1982 to December 8, 2003. Master Sergeant James A. Gunsolley teaches special education classes at East High School.
- Music Teacher serves as president of Iowa Music Educators Association
- East High and North High selected to State Jazz Championships
- West High - selected as Outstanding High School Jazz Choir at U of North Texas Festival - 2003
- 7 students participated in Iowa State University Honor Choir - 2003
- 5 students participated in All-State Vocal Jazz Choir - 2003
- 6 students participated in the Iowa All-State Middle School Honor Band - 2003
- 37 students participated in the Northwest Iowa Junior High Honor Band Festival - 2003
- 9 students participated in Iowa Junior Honors String Orchestra Festival - 2003
- 24 students participated in Opus Honor Choir - 2003
- 7 students participated in All State Orchestra - 2003
- 33 students participated in All State Chorus - 2003
- 21 students participated in All State Band - 2003

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

- 73 Students participated in the Northwest Iowa Band Festival - 2003
- 28 Students participated in the Northwest Iowa Honors Orchestra Festival - 2003
- Principal received Siouxland Educator of the Year Award - Washington School - 2003
- Golden Apple Teacher award of excellence from the Siouxland Credit Union - Longfellow School - 2003
- School Band & Orchestra Magazine - Iowa Most Outstanding Teacher - Longfellow School - 2003

2002 Awards:

- 1 Iowa Basketball Coach of the Year - East High School 2002
- 1 National Board for Professional Teaching Standards Counseling Committee Award - East High 2002
- 1 Outstanding Mentoring Program award from NEA Saturn - East High School 2002
- 1 NW Iowa Activities Director of the Year by ISHADA - East High School 2002
- 1 Kenneth Zeising Professional Service Award - East High School 2002
- 1 School Administrator of the Year - East High School 2003
- 6 Citizenship Awards - North High School 2002
- 1 Opus Honor Choir select - Grant School 2002
- 2 National Board Teaching Certification - Bryant School 2002
- Teacher featured as one of the "40 under 40", Sioux City Journal - McKinley School 2002
- 3 All State Band & Orchestra Awards - East High School 2002
- 2 All State Jazz Band - East High School 2002
- State Marching Band Competition - East High School 2002
- State Large Group Contests - East High School 2002
- State Solo Ensemble Contests - East High School 2002
- Northwest Iowa Honor Band - East High School 2002
- Student Council- Received Meritorious Distinction Award from IA Association of Student Councils - East High 2002
- Iowa State Honor Choir - West High School 2002
- All State Instrumental Music Award - West High School 2002
- Student Council - State- Honor Council with Meritorious Distinction - West High School 2002
- All-State Baseball First Team Second Base - West High School 2002
- Dance Squad - National Champions- 3 Events - West High School 2002
- Dance Squad - State Champions-All-Male, Coed, and Hoopla - West High School 2002
- Oscar Mayer Schoolhouse Jam - Iowa Winner \$10,000 Award - Riverside School 2002
- Mockingbird Foundation - Zimbabwean Marumba Project: Jambo. \$3,500 Grant - Riverside School 2002
- Iowa Arts Council Gulizia Bros. Multicultural Music Residency - \$1,000 - Riverside School 2002
- International Society for Music Education (ISME) in Bergen Norway- Riverview School 2002
- MENC (Nat'l Association for Music Ed) National Convention in Nashville, TN - Riverview School - 2002
- World Music Jam - Morningside College - Riverview School 2002
- SD Music Educators (SDMEA) State conference - Riverview School 2002
- Sioux Valley Orff Society - Riverview School 2002
- "Service to IA High School Athletics" Award by the IA High School Athletic Association - North High 2002
- Teacher of the Year Award - North High School 2002
- Belle of Siouxland Teacher of the Year Award - North High School 2002

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

- Dance Squad - State Contest 2nd place in Hoopla, Lights, Novelty; 1st place in Military
- 3rd place in kick, All-Male - 1st place; Co-Ed- 3rd place - North High School 2002
- Distinguished Academic Award (3.25-4.0) - North High School 2002
- Midwest Regional Dance Contest/SSC, NE - Sweepstakes, Supersweepstakes, Winner Circle - All-Male:1st place
- Co-Ed: 2nd place - North High School 2002
- 3 Iowa Junior Honors Orchestra - North High School 2002
- Iowa All State Orchestra Alternate - North High School 2002
- NW Iowa Honors Orchestra - North High School 2002
- Yankton String Orchestra - North High School 2002
- Student Council - Youth Leadership Conference Rep - North High School 2002
- Iowa Association of Student Council Honor Council - North High School 2002
- 12 All Staters - Vocal Music - North High School 2002
- Opus ICDA Festival - North High School 2002
- State Solo Superior Ratings - Vocal Music - North High School 2002
- State Solo Excellent Ratings - Vocal Music - North High School 2002
- Debate - National Forensics League Distinction Award - North High School 2002
- IHSSA Debate Excellent Senator Award - North High School 2002
- 1st Place - IA Lakes Jazz Fest, NWIBA District Fest - North High School 2002
- 3rd Place Marching Band in Fest of Bands - North High School 2002
- All State Band - North High School 2002
- NWIA Honor Band - North High School 2002
- Boys Basketball - All Metro, All MRAC 1st Team, All NWIA 2nd team, All State Honorable Mention
- All MRAC Honorable Mention - North High School 2002
- Girls Basketball - MRAC All Conference Team, MRAC 2nd Team All Conf, MRAC Honorable Mention, Academic All State, 1st Team All State, Honorable Mention, 4A State Tournament Team, All District - North High School 2002
- Football - All Conference, All City, All State - North High School 2002
- Girls Soccer - Class 2A All State First Team; Class 2A All State Honorable Mention; MRAC All Conference Team - North High School 2002
- Boys Soccer - 1st Team All Conference; 1st Team Metro; 2nd Team Metro; 1st Team All State; 2nd Team All State; 3rd in State; 1st Place MRAC; 1st Place District - North High School 2002
- Girls Tennis - 3 State Qualifiers - North High School 2002
- MRAC Tournament Champions (Flight 2) - North High School 2002
- Boys Tennis - Conference Tournament Champions; 1st Place Conference Doubles; 2nd Place Conference Doubles; 1st Place Conference Singles; 3rd Place Team District - North High School 2002
- Girls Golf - 1 Award for All District Golf Team; City Champs (Team) 1st Place MRAC (Team) Regional Qualifier (Team) North High School 2002
- Boys Golf - 1 State Individual Qualifier; Team Qualified for State Tournament - North High School 2002
- 3 MRAC Academic All Conference - North High School 2002
- Boys Track - State Distance Medley - North High School 2002
- State 4x200 - North High School 2002
- State Shot Put - North High School 2002
- Volleyball - 1st Team All Conference; 2nd Team All Conference - North High School 2002
- Honorable Mention - All Conference; North High School 2002
- All District Team - North High School 2002
- All State Team North High School 2002

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

- Softball- All State Elite Team - North High School 2002
- All State 3A 1st Team - North High School 2002
- All State 3A 2nd Team - North High School 2002
- All State 3A 4th Team - North High School 2002
- State All Star Team - North High School 2002
- ALL NWIA - North High School 2002
- All District - North High School 2002
- All Conference - North High School 2002
- 3 National Merit Scholar Awards - East High School 2002
- 4 National Merit Scholar Awards - North High School 2002
- Speech - 6 Groups received All State Speech Awards and 1 Individual Speech Award - East High School 2002
- Debate - 4 State Qualifiers - East High School 2002
- Yearbook - 5 Consecutive years Gallery of Excellence Award from Walsworth Publishing - East High School 2002
- Dance/Drill Team-State (Five Division I Ratings), Regionals - 4th in Solo - East High School 2002
- Dance/Drill Team - National - 1st in Pom, 2nd in Jazz & Kick - East High School 2002
- Baseball - 1st All Conference and All District - East High School 2002
- Boys Basketball - MRAC Champions - East High School 2001
- Boys Basketball - 4-A State Champions-(25 wins are the most wins by any High School in Sioux City History) East High School 2002
- Girls Golf - Regional Team qualifiers - District qualifiers & 1st team All District - East High School 2002
- Wrestling - 3 State qualifiers - East High School 2002
- Boys Tennis - Placed 5th in Individuals - East High School 2002
- Football - Conference Football Champs - East High School 2002
- Boys Swim - State Qualifier - East High School 2002
- Girls Swim - State - 6th in 200, and 3rd in 100 butterfly - East High School 2002
- Boys Track - State qualifiers - 2nd High jump; 3rd - East High School 2002
- Girls Track - State qualifiers - High jump; 400; and 4X100 team event - East High School 2002
- Softball - Sectional Champs - All State 2nd Team - East High School 2002
- Choral Music Department - 10 All State Choir members; 75% of Solo/Ensemble contest entries received I ratings - East High School 2002
- Headliners Show Choir - Grand Champs at Western Dubuque - East High School 2002
- 1st Runner-up & Choreography at Linn-Marr - East High School 2002
- 1st Runner-up at Sioux Falls Washington - East High School 2002
- 6th Grade AEA Math Bee - 1st, 2nd, and 7th place team - Hoover Middle School 2002
- 7th Grade AEA Math Bee - 1st, 4th, and 11th place team - Hoover Middle School 2002
- 8th Grade AEA Math Bee - 2nd & 8th place team - Hoover Middle School 2002
- 8th Grade AEA Math Bee - 5th place for top 20 individual winners - Hoover Middle School 2002

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

STATISTICAL REVIEW:

Area - 62.79 square miles.

Altitude - 1,097 feet above sea level.

Cultural & Recreational Facilities - 6 public golf courses, 42 public tennis courts, 6 public swimming pools, 3 country clubs, public access to 3 rivers (Missouri R., Big Sioux R., Floyd R.), one state park, 16 county parks; 57 city parks; Events: River-Cade Celebration every July, Greater Siouxland Fair, Art Splash, Blues Festival and Saturday in the Park.

Attractions: Sergeant Floyd National Monument, Sergeant Floyd River Boat, Lewis & Clark Interpretive Center, Convention Center, Sioux City Orpheum Theatre, Dorothy Pecaut Nature Center, Sioux City Art Center, Anderson Dance Pavilion, Long Lines Family Center, Tyson Events Center, Sioux City Indoor Football League, USHL Hockey, Northern League Professional Baseball, Camping, Fishing and Hunting, NASCAR Winston Racetrack, Sioux City Concert Course, Sioux City Symphony, Municipal Band Shell, Southern Hills Mall and Marketplace Mall.

Location - Distance in miles from Sioux City, Iowa:

Chicago	494	Milwaukee	491
Denver	600	Minneapolis	281
Des Moines	200	New York	1,309
Kansas City	298	Omaha	96
Los Angeles	1,683	St. Louis	507

Public Library - Sioux City Public Library contains 189,307 volumes, 515 magazine subscriptions and 4 newspapers.

Newspapers - One daily (mornings), one shoppers guide, one religious weekly and one legal and commercial weekly.

Education - One public school system, two accredited parochial school systems and three colleges -two 4 year and one Technical/Trade College. Other local schools available are nursing, medical technology, radiology, theology, cosmetology and barber.

Climate - Average winter temperature (F)	21.0
Average summer temperature (F)	73.1
Average annual rainfall (inches)	30.9
Average annual snowfall (inches)	32.8

SIoux CITY COMMUNITY SCHOOL DISTRICT

MISCELLANEOUS DEMOGRAPHIC STATISTICS

MUNICIPAL SERVICES:

Council/City Manager; full-time fire department, full-time police department, solid waste for industrial and residential pickup service. Recycling residential pickup service.

BUYING INCOME/RETAIL SALES

	Median Household Effective Buying Income Sioux City, Iowa			Total Retail Sales (1987 dollars) Sioux City, Iowa
1970	\$ 11,792	\$ 33,123	\$	\$ 704,550,000
1980	25,385	35,528		767,020,000
1990	42,804	37,253		709,580,000
1993	46,880	38,828		698,290,000
1994	49,069	37,042		716,020,000
1995	51,367	37,502		734,810,000
2000**	65,633	40,384		836,970,000
2005**	84,453	43,290		947,010,000
2010**	109,793	46,302		1,085,070,000
2015**	144,078	49,416		1,188,100,000

**Projection.

Source: Woods & Poole Economics, Inc., Washington, DC; Research and Information Services Division, Labor Market Information Section, Job Service of Iowa, Des Moines,, Iowa.

UNEMPLOYMENT RATES:

	<u>Sioux City Area Rate (%)</u>	<u>State of Iowa (%)</u>
2005	4.9	4.7
2004	6.5	4.7
2003	4.0	4.1
2002	3.6	3.7
2001	3.2	3.0
2000	2.3	2.5
1999	3.0	3.0
1998	2.5	2.5
1997*	3.3	3.1
1996**	3.5	3.6
1995	3.0	3.5
1994	3.2	3.7
1993	3.0	4.0
1992	4.2	4.6
1991	4.6	4.6
1990	4.2	4.2

*Based on a ten-month period, January through October

**Benchmark, March 1996

Source: Iowa Workforce Development Center, Sioux City, Iowa

SIoux CITY COMMUNITY SCHOOL DISTRICT

SUMMARY OF BUILDING CONSTRUCTION

<u>Buildings:</u>	<u>Project</u>	<u>Year</u>	<u>Sq Footage</u>	<u>Total Sq Ft</u>
<u>High Schools:</u>				
East High	Original Bldg	1972	209,876	209,876
North High	Original Bldg	1972	210,954	210,954
West High	Original Bldg	1972	213,966	213,966
Central Campus	Original Bldg	1951	119,612	119,612
Total high school building square footage				<u>754,408</u>
<u>Middle Schools:</u>				
East Middle	Original Bldg	2002	198,000	198,000
Hoover	Original Bldg	1964	59,092	59,092
North Middle	Original Bldg	2005	198,000	198,000
West Middle	Original Bldg	2001	168,000	
	Addition	2005	9,000	177,000
Total middle school building square footage				<u>632,092</u>
<u>Elementary Schools:</u>				
Bryant	Original Bldg	1890	35,251	
	Additions & Renovations	1911, 1919, 1932, 1957	8,000	43,251
Clark	Original Bldg	1957	22,079	
	Additions	1962	5,000	27,079
Crescent Park	Original Bldg	1920	32,563	
	Additions & Renovations	1924, 1929, 1952, 1957	20,000	52,563
Emerson	Original Bldg	1921	21,164	
	Additions & Renovations	1924, 1939, 1941, 1957	6,800	27,964
Everett	Original Bldg		23,871	
	Additions & Renovations		200	24,071
Hawthorne	Original Bldg	1891	36,211	
	Additions & Renovations	1911, 1917, 1934, 1957	6,200	42,411
Hunt	Original Bldg	1906	29,496	
	Additions & Renovations	1912, 1993	100	29,596
Irving	Original Bldg	1886	26,861	
	Additions & Renovations	1908, 1927, 1934, 1949	4,100	30,961
Joy	Original Bldg	1912	25,281	
	Additions & Renovations	1914, 1921, 1934	200	25,481
Leeds	Original Bldg	1938	43,274	
	Additions & Renovations	1941, 1953	5,100	48,374
Lincoln	Original Bldg	1953	28,458	
	Additions	1957	6,000	34,458
Longfellow	Original Bldg	1893	30,089	
	Additions & Renovations	1910, 1923, 1932	200	30,289
Lowell	Original Bldg	1910	20,041	
	Additions & Renovations	1919, 1929, 1957	3,199	23,240
McKinley	Original Bldg	1921	16,720	
	Additions & Renovations	1924, 1953	3,100	19,820
Nodland	Original bldg	1969	29,391	29,391

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SUMMARY OF BUILDING CONSTRUCTION

<u>Buildings:</u>	<u>Project</u>	<u>Year</u>	<u>Sq Footage</u>	<u>Total Sq Ft</u>
<u>Elementary Schools (Continued):</u>				
Riverside	Original Bldg	1958	54,518	
	Additions	1964	5,000	59,518
Roosevelt	Original Bldg	1920	22,497	
	Additions & Renovations	1923, 1934	200	22,697
Smith	Original Bldg	1899	30,462	
	Additions & Renovations	1916, 1928		
		1957	5,000	35,462
Sunnyside	Original Bldg	1957	22,771	
	Additions	1962	7,000	29,771
Washington	Original Bldg	1921	33,293	
	Additions & Renovations	1924, 1930		
		1952, 1957	400	33,693
Whittier	Original Bldg	1902	29,418	
	Additions & Renovations	1924, 1930		
		1952, 1957	4,275	33,693
Total elementary school building square footage				<u>703,783</u>
Grand total schools square footage				<u>1,335,875</u>
<u>Others:</u>				
Administration Service Center	Purchase/Remodel	1938	36,900	36,900
Physical Operations	Original Bldg	1978	29,270	29,270
Sloan (Boys & Girls Home)	Original Bldg	1962	15,167	15,167
Hobson Central Kitchen	Original Bldg	1939	21,515	21,515
Total others square footage				<u>102,852</u>
Grand total all facilities square footage				<u>1,438,727</u>

SUMMARY OF SCHOOL DISTRICT PROPERTY:

<u>PROPERTIES:</u>	<u>ACRES</u>
High Schools	92.00
Riverside Center	4.00
Middle Schools	153.00
Elementary Schools	124.00
Administrative Service Center	0.50
Physical Operations	12.00
Hobson Central Kitchen	0.70
Grant Site	29.00
Indian Hills	7.10
Woodbury Heights	2.46
Riverview	3.00
Total acres	<u>427.76</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT
TEN PRINCIPAL TAXPAYERS IN THE DISTRICT

<u>Name of Taxpayer</u>	2005 <u>Assessed Value</u>	<u>Percentage Total Value*</u>
MidAmerican Energy	\$ 125,196,056	4.81%
SDG Macralch Prop	55,059,100	2.11%
Qwest Corporation	13,726,892	0.53%
Wal-Mart Real Estate Business.	11,372,900	0.43%
Klinger Properties, Inc.	10,655,700	0.40%
Menard, Inc.	9,447,700	0.36%
ILL, Inc.	9,113,900	0.35%
Target Corporation	8,840,900	0.34%
Lowe's Home Center, Inc.	8,390,600	0.32%
Handy LC	<u>8,141,400</u>	0.31%
	<u>\$ 259,945,148</u>	

Source: Dennis Butler, Woodbury County Auditor.

SIoux CITY COMMUNITY SCHOOL DISTRICT
RANGE OF EMPLOYMENT IN THE SIOUX CITY AREA

OVER 1,000

<u>Company</u>	<u>Product</u>
Gateway	Computer hardware and software
Tyson Fresh Meats	Meat products
John Morrell & Co.	Meat products
MCI	Telecommunications
Mercy Medical Center	Hospital
St. Luke's Regional Medical Center	Hospital
Sioux City Community School District	Education
Well's Blue Bunny	Dairy products

500 – 999

<u>Company</u>	<u>Product</u>
City of Sioux City	
185 th Refueling Wing IA ANG	Air National Guard
Mid American Energy	Gas and Electric Utilities
Interbake Foods	Cookie Baker
TurPak Foods	Chicken Processing

Source: Siouxland Chamber of Commerce, Sioux City, Iowa

SIOUX CITY COMMUNITY SCHOOL DISTRICT

LEGAL DEBT MARGIN CALCULATION

As of June 30, 2005, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 3,031,472,884</u>
Debt limit, 5.0% of total assessed valuation	\$ 151,573,644
Amount of debt applicable to debt limitation, total indebtedness less amount available in debt service fund	<u>8,931,880</u>
Excess of debt limit over debt outstanding, legal debt margin	<u>\$ 142,641,764</u>

SIoux CITY COMMUNITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2005

<u>GRANTOR/PROGRAM</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>EXPENDITURES</u>
Direct:			
U.S. Department of Education:			
Indian Education - Grants to Local Educational Agencies	84.060	FY05	\$ 135,040
Safe and Drug-Free Schools and Communities - National Program	84.184	FY05	1,449,461
Fund for the Improvement of Education	84.215	FY05	<u>1,764,875</u>
Total Direct			<u>\$ 3,349,376</u>
Indirect:			
U.S. Department of Agriculture:			
Passed through Iowa Department of Education:			
Food Donation	10.550	FY05	\$ 290,200
National School Lunch Program	10.555	FY05	<u>2,613,985</u>
			<u>\$ 2,904,185</u>
U.S. Department of Education:			
Passed through Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY05	2,210,893
Migrant Education - State Grant Program	84.011	FY05	<u>230,575</u>
Total Title I			<u>\$ 2,441,468</u>
Vocational Education - Basic Grants to States	84.048	FY05	235,118
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	FY05	64,836
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY05	107,729
Education for Homeless Children and Youth	84.196	FY05	18,287
Star Schools	84.203	FY05	51,977
Even Start-State Educational Agencies	84.213	FY05	100,885
State Grants for Innovative Programs	84.298	FY05	47,613
Reading First State Grants	84.357	FY05	334,138
English Language Acquisition Grants	84.365	FY05	33,348
Comprehensive School Reform Demonstration	84.332	FY05	510
Improving Teacher Quality State Grants	84.367	FY05	950,476
Grants for State Assessments and Related Activities	84.369	FY05	106,522
Passed through Siouxland Human Investment Partnership:			
Twenty-First Century Community Learning Centers	84.287	FY05	113,819
Passed through Western Hills Area Education Agency #12:			
Special Education - Grants to States	84.027	FY05	836,197
Passed-through Iowa Department of Education:			
Special Education - Grants to States	84.027	FY05	<u>2,782</u>
Total Special Education - Grants to States			<u>\$ 838,979</u>
Total Department of Education			<u>\$ 5,445,705</u>
Department of Health and Human Services:			
Passed through Iowa Department of Human Services:			
Refugee and Entrant Assistance-Discretionary Grants	93.576	FY05	<u>22,467</u>
Total Indirect			<u>\$ 8,372,357</u>
Total Federal Expenditures			<u>\$ 11,721,733</u>

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Significant Accounting Policies:

The accompanying schedule of expenditures of federal awards is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Food Distribution:

Nonmonetary assistance of \$290,200 is reported in the schedule at fair market value of the commodities received and disbursed. At June 30, 2005 the District had food commodities totaling \$169,623 in inventory.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR YEAR

AUDIT FINDINGS FOR FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2004

There were no findings reported on the Schedule of Findings and Questioned Costs for the year ended June 30, 2004.

SIOUX CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2005

Part I: Summary of the Independent Auditors' Results

- (a) An unqualified opinion was issued on the financial statements.
- (b) No reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance that is material to the financial statements.
- (d) No reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed an audit finding which is required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:

CFDA Number 84.010	Title I Grants to Local Educational Agencies
CFDA Number 84.367	Title IIA
- (h) The dollar threshold used to distinguish between Type A and a Type B program was \$300,000.
- (i) The Sioux City Community School District did qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

NONE

Part III: Findings and Questioned Costs for Federal Awards:

CFDA Number 84.010: Title I Grants to Local Educational Agencies
Federal Award Year: 2005
U.S. Department of Education
Passed Through Iowa Department of Education

III-A-05 Criteria: Title I, Part A funds may be used to upgrade the School's entire educational program in a school-wide program. The Sioux City Community School District indicated on their annual application reading recovery as the allowable activity in school-wide programs.

Condition: An employee examined during our audit was an elementary classroom teacher, not a Title I reading recovery teacher, being paid with Title I, Part A funds.

Questioned Costs: The known questioned costs obtained from the fiscal year salary and benefits schedule totaled \$22,338.

SIoux CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2005

(CONTINUED)

Part III: Findings and Questioned Costs for Federal Awards (Continued):

Context: Obtained from the District the fiscal year 2005 Title I projected salary and benefits schedule listing all employees being paid with Title I, Part A funds. On a test basis, examined reading endorsement documentation and State of Iowa teaching certificate. One employee included in the sample did not have a reading endorsement. Upon further inquiry, employee tested was an elementary classroom teacher not a Title I, Part A reading recovery teacher. This audit finding appears to be an isolated instance. Known question costs totaled \$22,338, the amount of Title I, Part A funds used to pay the above mentioned employee's salary and benefits.

Effect: Title I, Part A funds were used to fund an unallowable activity.

Cause: Inaccurate Title I, Part A salary schedule was provided to the payroll department.

Recommendation: The preparer of the fiscal year projected salary and benefits report should be in continuous contact with the Human Resource Department until all Title I, Part A reading recovery teachers are placed in their schools. This final schedule should then be provided to the payroll department and the payroll department must be notified with any updates.

Views of Responsible Officials and Planned Corrective Actions: We agree with the findings and will follow the audit recommendations to ensure all Title I teachers have the proper and required endorsements and certification.

Part IV: Other Findings Related to Statutory Reporting:

IV-A-05 Official Depositories - The District's official depository banks are:

<u>Depository</u>	<u>Amount</u>
US Bank, Sioux City, Iowa	\$ 15,000,000
Security National Bank, Sioux City, Iowa	15,000,000
Bank of America, Sioux City, Iowa	15,000,000
First Federal Savings Bank, Sioux City, Iowa	15,000,000
Morningside Bank and Trust, Sioux City, Iowa	15,000,000
Wells Fargo Bank Iowa, NA, Sioux City, Iowa	45,000,000
Pioneer Bank, Sioux City, Iowa	15,000,000
Commercial Federal Bank, Sioux City, Iowa	10,000,000
First American Bank, Sioux City, Iowa	10,000,000
First National Bank, Sioux City, Iowa	10,000,000
Heritage Bank, Sioux City, Iowa	10,000,000
Iowa Nebraska State Bank, South Sioux City, Nebraska (Sioux City, Iowa)	10,000,000
Central Bank, Sioux City, Iowa	10,000,000
Liberty National Bank, Sioux City, Iowa	10,000,000

The Board has approved a resolution naming these banks as official depository banks. The maximum deposit amounts were not exceeded during the year ended June 30, 2005.

IV-B-05 Certified Budget - Disbursements for the year ended June 30, 2005, exceeded the amended certified budget amount in the non-instructional programs function.

SIOUX CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2005

(CONTINUED)

Part IV: Other Findings Related to Statutory Reporting (Continued):

- Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before disbursements were allowed to exceed the budget.
- Response - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.
- Conclusion - Response accepted.
- IV-C-05 Questionable Expenditures - No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-D-05 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-E-05 Business Transactions - No business transactions between the District and District's officials or employees were noted.
- IV-F-05 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-G-05 Certified Enrollment - We noted variances in the basic enrollment data certified to the Department of Education.
- Recommendation - The District should contact the Iowa Department of Education and the Department to resolve this matter.
- Response - We have contacted the Iowa Department of Education and the Department of Management. The certified enrollment has been amended.
- Conclusion - Response accepted.
- IV-H-05 Deposits and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- IV-I-05 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.



KING, REINSCH, PROSSER & CO., L.L.P.
Certified Public Accountants

Member Private Companies Practice Section of AICPA

522 4TH STREET, SUITE 200
SIOUX CITY, IA 51101-1620
(712) 258-5550
FAX (712) 277-6705

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Sioux City Community School District

Compliance

We have audited the compliance of Sioux City Community School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Sioux City Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant applicable to each of its major federal programs is the responsibility of Sioux City Community School District's management. Our responsibility is to express an opinion on Sioux City Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133; *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Sioux City Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Sioux City Community School District's compliance with those requirements.

In our opinion, Sioux City Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item III-A-05.

Internal Control Over Compliance

The management of the Sioux City Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Sioux City Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.



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Certified Public Accountants

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to the major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of Education, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sioux City, Iowa
October 28, 2005

King, Reinsch & Prosser & Co., L.L.P.



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Member Private Companies Practice Section of AICPA

522 4TH STREET, SUITE 200
SIOUX CITY, IA 51101-1620
(712) 258-5550
FAX (712) 277-6705

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
Sioux City Community School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sioux City Community School District as of and for the year ended June 30, 2005 which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sioux City Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters that are described in Parts 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, 2005 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.

This report is intended solely for the information and use of the Board of Education, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sioux City, Iowa
October 28, 2005

King, Reinsch, Prosser & Co., L.L.P.