

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**of the**  
**DUBUQUE COMMUNITY SCHOOL DISTRICT**  
**Dubuque, Iowa**

**For the Fiscal Year Ended June 30, 2010**

**OFFICIAL ISSUING REPORT**

**Ronald H. Holm**

**Executive Director of Finance and Business Services**

**OFFICE ISSUING REPORT**

**Business Office**

# Table of Contents

**INTRODUCTORY SECTION:**

Letter of Transmittal.....	4-8
Administrative Structure .....	9
Board of Education.....	10
School District Administration.....	11
Consultants and Advisors .....	12-13
ASBO Certificate of Excellence in Financial Reporting.....	14

**FINANCIAL SECTION:**

Independent Auditors' Report .....	16-17
Management's Discussion and Analysis .....	18-31

Basic Financial Statements:

Government-wide Financial Statements:	
Statement of Net Assets .....	33
Statement of Activities .....	34
Governmental Fund Financial Statements:	
Balance Sheet .....	35
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets.....	36
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	37
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	38
Proprietary Fund Financial Statements:	
Statement of Net Assets .....	39
Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	40
Statement of Cash Flows.....	41-42
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets .....	43
Statement of Changes in Fiduciary Net Assets .....	44
Notes to Financial Statements.....	45-61

Required Supplementary Information:

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses, and Changes in Balances	
Budget and Actual - All Governmental Funds and Proprietary Fund .....	63
Notes to Required Supplementary Information – Budgetary Reporting.....	64
Schedule of Funding Progress for the Retiree Health Benefit Plan.....	65

Other Supplementary Information:

Nonmajor Governmental Funds:.....		67
Combining Balance Sheet .....	68	
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances .....	69	
Schedule of Changes in Special Revenue Fund, Student Activity Accounts .....	70	
Schedule of Changes in Fiduciary Net Assets – Fiduciary Funds .....	71	
Schedule of Changes in Fiduciary Assets and Liabilities – Agency Fund .....	72	
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds .....	73-74	

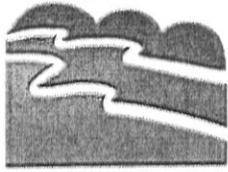
**STATISTICAL SECTION:**

Narrative Explanations .....76  
Net Assets by Components.....77  
Expenses, Program Revenues, and Net (Expense) Revenue ..... 78-79  
General Revenues and Total Change in Net Assets ..... 80  
Fund Balances, Governmental Funds ..... 81-82  
Governmental Funds Revenue ..... 83-84  
Revenue by Source – General Fund ..... 85-86  
Governmental Funds Expenditures and Debt Service Ratio ..... 87-88  
Expenses by Function – General Fund..... 89-90  
Other Financing Sources and Uses and Net Change in Fund Balances – Governmental Funds..... 91-92  
Assessed Value and Actual Value of Taxable Property .....93  
Direct and Overlapping Property Tax Rates .....94  
Principal Property Taxpayers .....95  
Property Tax Levies and Collections .....96  
Outstanding Debt by Type .....97  
Direct and Overlapping Governmental Activities Debt .....98  
Legal Debt Margin Information ..... 99-100  
Pledged – Revenue Coverage..... 101  
Demographic and Economic Statistics..... 102  
Principal Employers ..... 103  
Full-time Equivalent District Employees by Type..... 104-105  
Operating Statistics..... 106  
School Building Information..... 107-114  
Certified Staff Salaries ..... 115

**COMPLIANCE SECTION:**

Schedule of Expenditures of Federal Awards .....117  
Notes to Schedule of Expenditures of Federal Awards .....118  
Summary Schedule of Prior Audit Findings ..... 119  
Independent Auditors’ 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 ..... 120-121  
Independent Auditors’ Report on Compliance with Requirements that Could Have a  
Direct and Material Effect on Each Major Program and on Internal Control over  
Compliance in Accordance with OMB Circular A-133..... 122-123  
Schedule of Findings and Questioned Costs ..... 124-127

# **INTRODUCTORY SECTION**



*To inspire and challenge*  
2300 Chaney Road  
Dubuque, Iowa 52001-3095

**Dr. Larie D. Godinez**  
*Superintendent of Schools*

**Ronald H. Holm, CPA** *(Inactive)*  
*Executive Director of*  
*Finance and Business Services*

*Phone: 563/552-3024*

*Fax: 563/552-3026*

January 10, 2011

Mr. Michael Brannon, President,  
Members of the Board of Education, and  
Residents of the Dubuque Community School District

We are pleased to submit to you the Comprehensive Annual Financial Report for the Dubuque Community School District for the fiscal year ended June 30, 2010. 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 is presented in a manner designed to fairly present 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 report presents the financial information of the District accurately and concisely. It is designed to be comprehensive, yet easily readable and accessible.

To facilitate the understanding of the District's financial affairs, the Comprehensive Annual Financial Report (CAFR) is presented in four sections:

**Introductory Section** – This section includes this transmittal letter, the District's organizational chart, a list of principal officers, the District's consultants and advisors, and a Certificate of Excellence in Financial Reporting from the Association of School Business Officials.

**Financial Section** – This section includes the independent auditors' report on the financial statement and schedules, the management's discussion and analysis, the basic financial statements, notes to the financial statements, required supplementary information, and other supplementary information.

**Statistical Section** – This section includes selective financial, economic, and demographic information for up to a ten-year period and has been thoroughly revised in accordance with GASB Statement 44, Economic Condition Reporting: The Statistical Section.

**Compliance Section** – This section includes audit reports relating to the Board’s single audit over internal control, federal and state awards, as well as a Schedule of Expenditures of Federal and State Awards. This letter of transmittal is designed to complement the Management’s Discussion and Analysis included within the financial section of the CAFR and should be read in conjunction with it.

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.

### Mission Statement

The Dubuque Community School District’s mission is to develop world-class learners and citizens of character in a safe and inclusive learning community.

### Reporting Entity and Its Services

The Dubuque Community School District was organized in 1856. The District is supported financially by legislatively appropriated state aid, property taxes, local option sales and services tax, 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. Effective with the September 2009 election, school board members will be elected to four-year terms and elections will be held only in odd-numbered years, as opposed to annual elections under previous law. All board members are elected at large.

The District provides a full range of educational services for residents of the Dubuque Community School District appropriate to students in early childhood and grades kindergarten through twelve. 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 official enrollment of the District as of October 2009 (the official count date) was 10,697 students. This District is the seventh largest of Iowa’s 359 public school systems. The District operates two regular high schools and one alternative high school, three middle schools, thirteen elementary schools and one special education preschool.

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 of 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 Dubuque Community School District has no component units that meet the Governmental Accounting Standards Board criteria.

### Accounting System

All funds of the District are presented in this report and have been audited by the District’s independent certified public accountants, Jim Kircher & Associates, P.C.

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;

Accounting System. continued

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 District adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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.

Risk Management

The District currently covers property, liability, and workers' compensation losses with traditional insurance coverage through the Iowa Association of School Board's group plan carried by Employers' Mutual Insurance Company. An active safety training and monitoring program exists.

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 is 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.

Management's Discussion and Analysis

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

Major Initiatives and Achievements

In September of 2002, local voters approved a one-cent local option sales and services tax for school infrastructure. With that sales tax funding, the District was able to develop a plan for the future. Beginning in

### Major Initiatives and Achievements, continued

February 2003, a group of citizens made up a public planning task force. Working with the School Board, they began to develop a plan on choosing locations for a new middle school, replacement downtown elementary school and a new west-end elementary school. The next step was to design a new middle school, a replacement downtown elementary school, a west-end elementary school, as well as certain essential repairs and renovations to one of the existing high school buildings. Plans for construction were approved and bids taken for each project. Construction was completed in August 2005 on the new 206,000 square foot Eleanor Roosevelt Middle School. The new 66,000 square foot Prescott Elementary School has been completed and opened in August of 2006. The new 66,000 square foot George Washington Carver Elementary School was completed and opened in August of 2007. Also extensive remodeling and additional classrooms were done at Stephen Hempstead High School during this period. The District issued revenue bonds in October 2004, January 2005, January 2006, and January 2007 to finance the new construction, with sales tax revenues paying off the bonds. During this fiscal year, these bonds were either paid off or refinanced through three new issuances in December 2009 and February 2010 at a lower interest rate.

The District, with funding provided by the State of Iowa and the Federal government as well as the instructional support levy, has reduced class sizes at the K – 3 elementary levels. The District's all day kindergarten classes are funded from these programs, as well as other early elementary classes.

### Economic Condition and Outlook

The City of Dubuque's location in the tri-state area of Iowa, Illinois, and Wisconsin provides the area with a regional economic importance. The city has recently been endorsed as an All-American City. The regional tax base is strong; the property tax base of the Dubuque Community School District itself is substantially below the state average. The per pupil property tax valuation ranks 233 out of 359 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 State of Iowa's school funding formula projects a controlled budget based on October's enrollment for the current budget year multiplied by a legislatively approved cost per pupil for the subsequent budget year. The per pupil allowable cost for budget year 2009-2010 was \$5,775. The allowable growth rate for FY 2010-11 has been set at 2%. However, due to the downturn in the state's economy and accompanying decrease in state revenues, the governor, in October 2009, issued a 10% across-the-board reduction. This amounted to a \$5.3 million reduction in state aid to the District.

In light of these reductions, the School District must operate in the most efficient manner during 2010-2011 to help ensure adequate funding for staff, services, and supplies.

### Independent Audit

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

### Certificate of Achievement for Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence to the District for their Comprehensive Annual Financial Report. In order to be awarded this certificate, the District

Certificate of Achievement for Excellence in Financial Reporting, continued

must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. This certificate is valid for a period of one year only. We believe our current report conforms to these requirements and we are submitting it to ASBO International to determine its eligibility for a certificate from this organization.

Other Matters

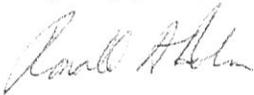
Also included in this report is a statistical section, including additional financial data, that will give the reader a better understanding of the school system. This section has been updated in conformity with the reporting requirements of GASB 44. This section provides information categorized as follows:

1. Financial trend schedules.
2. Revenue capacity schedules.
3. Debt capacity schedules.
4. Demographic and economic information schedules.
5. Operating information schedules.
6. Continuing disclosure information.

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

In summary, the objective of the Comprehensive Annual Financial Report is to provide the general public and other users of the District's financial information a better understanding of the operating activities and financial condition of the District.

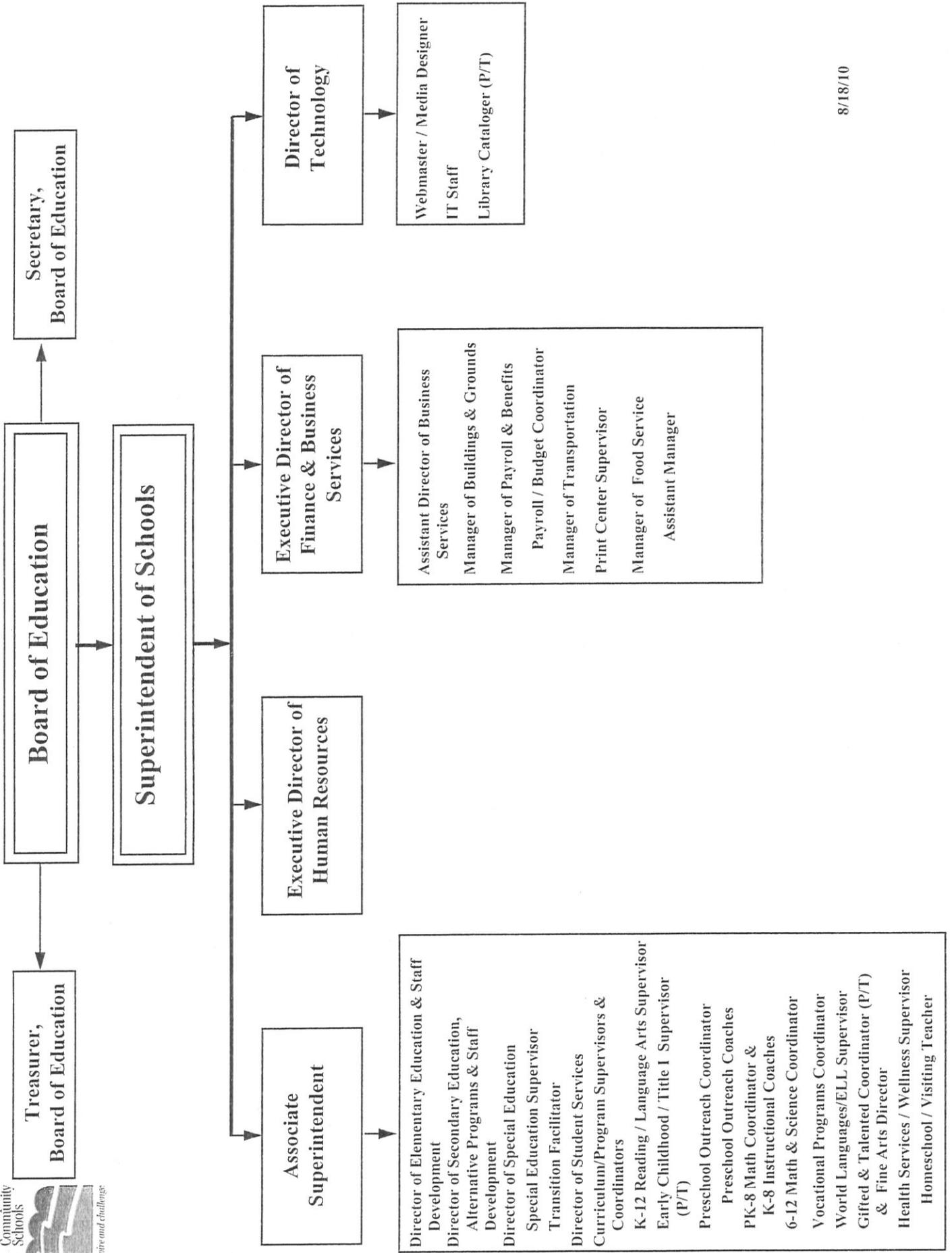
Very truly yours,



Ronald H. Holm  
Executive Director of Finance and Business Services



Larie D. Godinez  
Superintendent of Schools



**Dubuque Community School District**

**Board of Education**

**Year Ended June 30, 2010**

(Before September 2009 Election)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Larry Loeppke	President	September 2011 *
Mike Brannon	Vice-President	September 2011 *
Donna Bauerly	Board Member	September 2009
George Davis	Board Member	September 2009
Otto Krueger	Board Member	September 2009
Adam Mennig	Board Member	September 2011
Lesley Stephens	Board Member	September 2011

\* Board term extended per the District's transition plan for changing Board terms from three to four years in accordance with Chapter 39.24 of the Code of Iowa.

(After September 2009 Election)

Otto Krueger	President	September 2013
Mike Brannon	Vice-President	September 2011
Craig Beytien	Board Member	September 2013
George Davis	Board Member	September 2013
Larry Loeppke	Board Member	September 2011
Adam Mennig	Board Member	September 2011
Lesley Stephens	Board Member	September 2011

**Dubuque Community School District**

**School District Administration**

**Year Ended June 30, 2010**

Larie D. Godinez	Superintendent of Schools
Lynne Devaney	Associate Superintendent
Ronald H. Holm	Executive Director of Finance & Business Services
Dr. Kris Hall	Executive Director of Equity Operations and School Services
Stan Rheingans	Executive Director of Human Resources

Directors

Jim Puls	Director of Technology
David Olson	Director of Secondary Education, Alternative Programs & Staff Development
Nancy Bradley	Director of Elementary Education & Staff Development
Lynn Helmke	Director of Special Education
Shirley Horstman	Director of Student Services

Business Office

Kevin Kelleher	Assistant Director of Business Services
Joann Lueken	Manager of Payroll & Benefits
Jim Brimmer	Manager of Buildings & Grounds
Vicki Kelly	Manager of Transportation

**Dubuque Community School District**

**Consultants and Advisors**

**Year Ended June 30, 2010**

Certified Public Accountants

Jim Kircher & Associates, P.C.  
815 Century Drive  
Dubuque, IA 52002

Bond Attorneys

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

General Counsel

Fuerste, Carew, Juergens & Sudmeier, P.C.  
200 Security Building  
151 West 8<sup>th</sup> Street  
Dubuque, IA 52001

Insurance Consultants

The Friedman Group, Inc.  
909 Main Street  
Dubuque, IA 52001

Financial Advisors

Piper Jaffray  
3900 Ingersoll Avenue, Suite 110  
Des Moines, IA 50312

**Dubuque Community School District**

**Consultants and Advisors**

**Year Ended June 30, 2010**

Official Depositories

Premier Bank  
2625 NW Arterial  
Dubuque, IA 52002

American Trust & Savings Bank  
895 Main St.  
Dubuque, IA 52001

Dubuque Bank & Trust  
1398 Central  
Dubuque, IA 52001

East Dubuque Savings Bank  
3999 Pennsylvania Ave.  
Dubuque, IA 52002

Liberty Bank  
2201 Jackson St.  
Dubuque, IA 52001

US Bank  
270 W 7th St.  
Dubuque, IA 52001

Bank of America  
317 6<sup>th</sup> Avenue  
Des Moines, IA 50309

Bankers Trust  
453 7<sup>th</sup> Street  
Des Moines, IA 50309

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

**DUBUQUE COMMUNITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2009

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

# **FINANCIAL SECTION**

Telephone 563/556-3392

FAX 563/556-3443

*Jim Kircher & Associates, P.C.*  
*Certified Public Accountants*

*815 Century Drive*  
*Dubuque, Iowa 52002*

Independent Auditors' Report

To the Board of Education of  
Dubuque Community School District:

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 Dubuque Community School District, Dubuque, Iowa, as of and for the year ended June 30, 2010, 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 U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Dubuque Community School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2011, on our consideration of Dubuque Community School District's internal control over financial reporting and 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 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.

Management's Discussion and Analysis, Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 18 through 31 and 63 through 65 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 the methods of measurement and presentation of the required supplementary information. 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 Dubuque Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2009, (which are not presented herein) and expressed unqualified opinions on those financial statements. The combining nonmajor fund financial statements and other schedules listed in the table of contents as supplementary information 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 the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

JIM KIRCHER & ASSOCIATES, P.C.



Dubuque, Iowa  
January 10, 2011

## Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2010

Dubuque Community School District (the "District") provides this Management's Discussion and Analysis of its financial statements. The narrative overview and analysis focuses on the financial activities for the fiscal year ended June 30, 2010. Please read this information in conjunction with the District's financial statements, which immediately follow this section.

### 2010 FINANCIAL HIGHLIGHTS

- Funding levels for Iowa K-12 school districts depend principally on two factors: first, changes in enrollment and second, changes in *per pupil district cost*. Of these two factors, changes in *per pupil district cost* normally have the larger impact on District funding. *Per pupil district cost* is an amount annually set by state government. This amount has historically been determined by applying a percentage increase to the prior year's amount. The percentage increase was 2% for FY 2010-11 and 4% for the five preceding years. This percentage amount has a substantial impact on district-funding levels.
- The District's enrollment has declined in recent years. The decrease from October 2009 to 2010 was 180 students - the largest decrease in at least the past 20 years. This recent trend differs markedly from that experienced between 2001 and 2006 when enrollment growth exceeded 1,000 students. The Iowa Department of Education projects small district enrollment decreases over the next several years.
- General fund revenues decreased by \$0.6 million (0.6%) in FY 2009-10. Major components of this change include a \$5.5 million increase in state aid, a \$1.0 million increase from real estate taxes and a \$7.2 million decrease in miscellaneous income. During FY 2009-10, the state, due to changes in the funding formula, reclassified \$9.0 million from miscellaneous income to state aid.
- General fund expenses increased by \$1.7 million (1.6%) in this fiscal year.
- The excess of revenues over expenses resulted in a \$2.9 million increase in fund balance and a \$4.9 million increase in cash/investments. Unspent balance also increased by \$4.2 million.
- The District's total net assets increased by \$10.2 million (13.1%) this fiscal year primarily due to an increase in cash and a decrease in long-term debt. The increase in cash resulted primarily from an increase in the cash reserve levy.
- The District monitors the three primary school district financial indicators of cash/investments, fund balance, and unspent balance. These indicators are measured at year end and compared to prior-years' results, state standards, and other districts' results. In the prior year, the Board of Education approved an administrative recommendation to increase the cash reserve levy. This increase substantially increased the June 30, 2010, fund balance and cash/investment balance. Cash reserve levy increases do not, however, increase unspent balance.

**Management's Discussion and Analysis**

**For Fiscal Year Ended June 30, 2010**

**2010 FINANCIAL HIGHLIGHTS, continued**

- Low unspent balance amounts continue to be a District concern, but are improving. The problem is exacerbated when allowable growth levels (set by the state legislature) are lower than the employee wage settlement percentages determined by negotiations or arbitration. The interaction of these two factors results in reduced funding levels for the non-salary portions of the District's budget.
- Grant revenue continues to increase. Miscellaneous revenue (composed primarily of grant revenue) decreased by \$5.2 million due to the reclassification of \$9 million from miscellaneous income to state aid.
- The American Recovery and Reinvestment Act (ARRA) is a financial program whereby the Federal government sought to stimulate the economy and invest in education by providing funding to states who, in turn, could use it for state aid payments to school districts. The State of Iowa chose to use some of this funding to supplement state foundation aid and instructional support state aid. Without this ARRA funding, state aid payments would have been cut substantially. For the 2010 fiscal year, ARRA state aid was \$4,712,704 and ARRA instructional support was \$313,030.
- The Local Option Sales Tax, now called the Secure an Advanced Education ("SAVE") fund is used to build new facilities and improve old ones. The District collected approximately \$10.6 million of sales tax revenue in FY 2009-10 most of which was used to pay bond principal and interest. The collection amount substantially exceeds revenue projections made in January 2003 when the sales tax referendum first passed. At June 30, 2010, actual accumulative receipts exceeded original estimates by a total of \$8.0 million.
- In December 2009 and January 2010, the District refinanced all of its then outstanding bonds. It's estimated that refinancing saved \$700,000 of interest costs due to favorable rates on the refinanced bonds.
- In October 2009, Iowa's governor announced a 10% across-the-board budget cut costing the District \$5.3 million. The District used cash reserves and budget cuts to make up for this loss of funding. Future levies will need to be increased to recover the cash reserves used.

**Management's Discussion and Analysis**

For Fiscal Year Ended June 30, 2010

**USING THIS ANNUAL REPORT**

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which the District acts solely as an agent or custodian for the benefit of those outside of the District.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

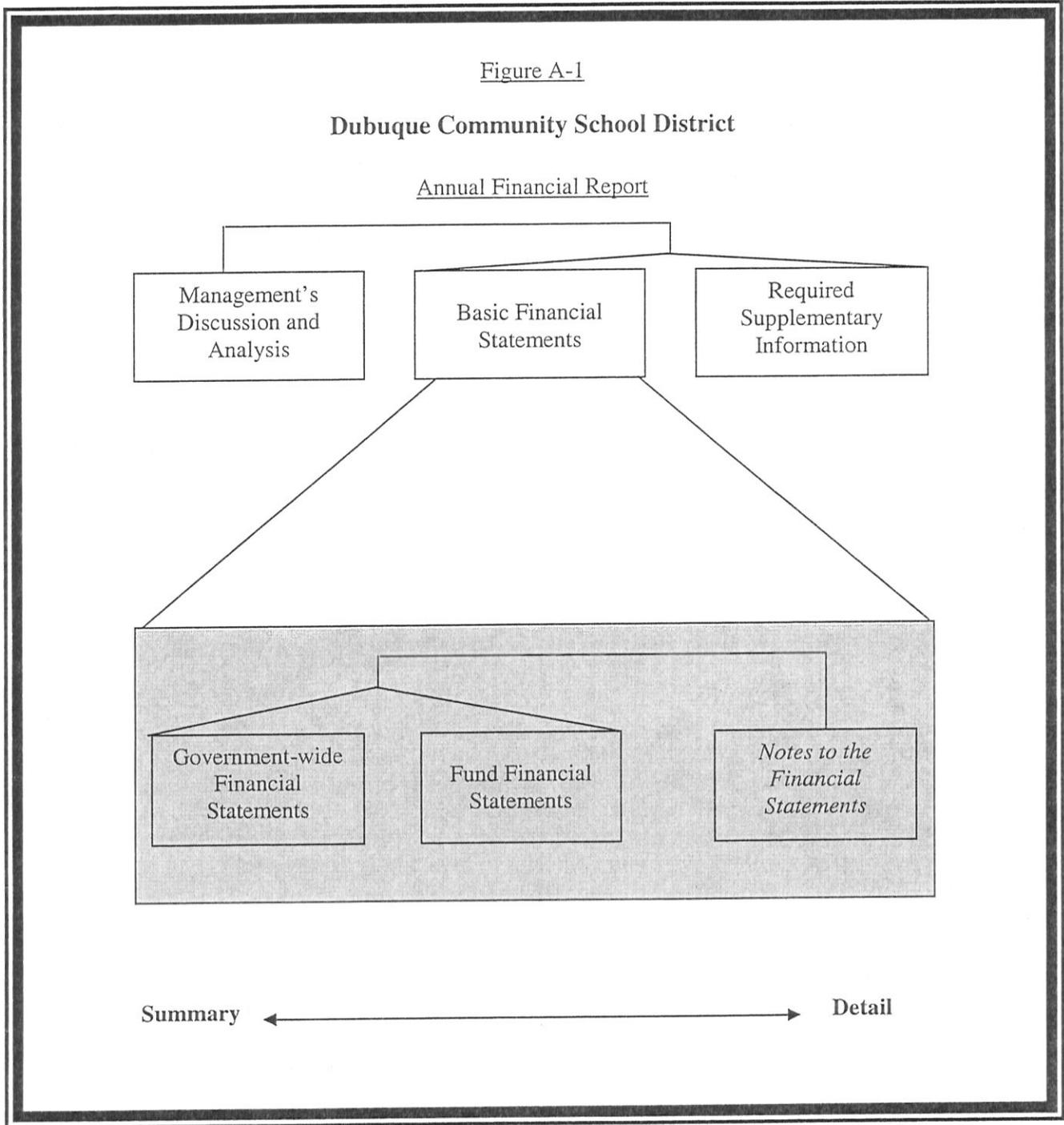
Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2010

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



Dubuque Community School District

**Management's Discussion and Analysis**

For Fiscal Year Ended June 30, 2010

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

<b>Figure A-2: Major Features of the Government-wide and Fund Financial Statements</b>				
	<b>Fund Financial Statements</b>			
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
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 service is included here.	Instances in which the district administers resources on behalf of someone else, such as scholarship programs.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses, and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**Management's Discussion and Analysis**

For Fiscal Year Ended June 30, 2010

**REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES**

*Government-wide Financial Statements*

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net 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 financial statements report the District's net assets and how they have changed. Net assets – the difference between assets and liabilities – are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors such as changes in the District's property-tax base and the condition of school buildings and other facilities need to be considered.

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

*Fund Financial Statements*

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

Some funds are required by state law or by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has three kinds of funds:

1) *Governmental funds:* Most of the District's basic services are included in governmental funds which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds 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.

**Management's Discussion and Analysis**

For Fiscal Year Ended June 30, 2010

**REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES, continued**

The District's governmental funds include the general fund, special revenue funds, debt service fund, and capital projects fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's enterprise fund, one type of proprietary fund, is the same as its business-type activities but provide more detail and additional information, such as cash flows. The District currently has one enterprise fund, the school nutrition fund.

The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include private-purpose trust and agency funds.

- Private-purpose trust fund – The District accounts for outside donations for scholarships for individual students in this fund.
- Agency funds – These are funds through which the District administers and accounts for certain federal and/or state grants on behalf of other districts and certain revenue collected for employee purchases of soft drinks and related expenditures.

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

The required financial statements for fiduciary funds include a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

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

Dubuque Community School District

**Management's Discussion and Analysis**

For Fiscal Year Ended June 30, 2010

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Figure A-3 below provides a summary of the District's net assets at June 30, 2010, compared to June 30, 2009.

**Figure A-3:  
Condensed Statement of Net Assets  
June 30,**

	Governmental Activities		Business-type Activities		Total District		Total Percentage Change 2009-10
	2009	2010	2009	2010	2009	2010	
Current and other assets	\$ 80,652,221	\$ 84,572,634	\$ 905,633	\$ 1,004,455	\$ 81,557,854	\$ 85,577,089	4.9%
Capital assets	93,080,616	92,789,213	442,195	399,217	93,522,811	93,188,430	(0.4%)
<b>Total assets</b>	<b>\$173,732,837</b>	<b>\$177,361,847</b>	<b>\$1,347,828</b>	<b>\$1,403,672</b>	<b>\$175,080,665</b>	<b>\$178,765,519</b>	<b>2.1%</b>
Current liabilities	\$ 62,124,451	\$ 68,622,368	\$ 61,465	\$ 73,729	\$ 62,185,916	\$ 68,696,097	10.5%
Long-term liabilities	34,862,952	21,784,543	35,435	69,365	34,898,387	21,853,908	(37.4%)
<b>Total liabilities</b>	<b>\$ 96,987,403</b>	<b>\$ 90,406,911</b>	<b>\$ 96,900</b>	<b>\$ 143,094</b>	<b>\$ 97,084,303</b>	<b>\$ 90,550,005</b>	<b>(6.7%)</b>
Net assets							
Invested in capital assets, net of related debt	\$ 59,780,783	\$ 64,429,213	\$ 442,195	\$ 399,217	\$ 60,222,978	\$ 64,828,430	7.6%
Restricted	9,206,811	17,404,114	0	0	9,206,811	17,404,114	89.0%
Unrestricted	7,757,840	5,121,609	808,733	861,361	8,566,573	5,982,970	(30.2%)
<b>Total net assets</b>	<b>\$ 76,745,434</b>	<b>\$ 86,954,936</b>	<b>\$1,250,928</b>	<b>\$1,260,578</b>	<b>\$ 77,996,362</b>	<b>\$ 88,215,514</b>	<b>13.1%</b>

Dubuque Community School District

**Management's Discussion and Analysis**

For Fiscal Year Ended June 30, 2010

Figure A-4 shows the change in net assets for the year ended June 30, 2010, compared to the year ended June 30, 2009.

**Figure A-4:  
Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2009-10
	2009	2010	2009	2010	2009	2010	
<b>Revenues</b>							
Program revenues changes for services	\$ 4,168,514	\$ 4,377,426	\$2,484,568	\$2,520,337	\$ 6,653,082	\$ 6,897,763	3.7%
Operating grants & contributions	21,261,442	25,152,465	1,992,219	2,365,458	23,253,661	27,517,923	18.3%
Capital grants & contributions	0	88,137	0	0	0	88,137	100.0%
General revenues property taxes and other taxes	53,527,722	55,448,604	0	0	53,527,722	55,448,604	3.6%
State formula aid	45,392,552	41,148,533	0	0	45,392,552	41,148,533	(9.3%)
Other	2,165,930	942,377	23,313	23,113	2,189,243	965,490	(55.9%)
<b>Total revenues</b>	<b>\$126,516,160</b>	<b>\$127,157,542</b>	<b>\$4,500,100</b>	<b>\$4,908,908</b>	<b>\$131,016,260</b>	<b>\$132,066,450</b>	<b>0.8%</b>
<b>Expenses</b>							
Instruction	\$ 74,524,139	\$ 74,580,509	\$ 0	\$ 0	\$ 74,524,139	\$ 74,580,509	0.1%
Support services student and instructional services	8,754,811	8,507,306	0	0	8,754,811	8,507,306	(2.8%)
Administrative and business	10,590,758	10,704,315	0	0	10,590,758	10,704,315	1.1%
Maintenance and operations	9,011,009	8,658,932	0	0	9,011,009	8,658,932	(3.9%)
Transportation	3,501,716	3,521,943	0	0	3,501,716	3,521,943	0.6%
Non-instructional	96,998	309,415	4,336,522	4,562,590	4,433,520	4,872,005	9.9%
Other	9,984,213	10,665,620	278,891	336,668	10,263,104	11,002,288	7.2%
<b>Total expenses</b>	<b>\$116,463,644</b>	<b>\$116,948,040</b>	<b>\$4,615,413</b>	<b>\$4,899,258</b>	<b>\$121,079,057</b>	<b>\$121,847,298</b>	<b>0.6%</b>
<b>Change in net assets</b>	<b>\$ 10,052,516</b>	<b>\$ 10,209,502</b>	<b>\$ (115,313)</b>	<b>\$ 9,650</b>	<b>\$ 9,937,203</b>	<b>\$ 10,219,152</b>	<b>2.8%</b>
<b>Beginning net assets</b>	<b>66,692,918</b>	<b>76,745,434</b>	<b>1,366,241</b>	<b>1,250,928</b>	<b>68,059,159</b>	<b>77,996,362</b>	
<b>Ending net assets</b>	<b>\$ 76,745,434</b>	<b>\$ 86,954,936</b>	<b>\$1,250,928</b>	<b>\$1,260,578</b>	<b>\$ 77,996,362</b>	<b>\$ 88,215,514</b>	

Dubuque Community School District

**Management's Discussion and Analysis**

For Fiscal Year Ended June 30, 2010

**Governmental Activities**

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

**Figure A-5:  
Total and Net Cost of Governmental Activities  
Years Ended June 30,**

	Total Cost of Services		Percentage Change 2009-10	Net Cost of Services		Percentage Change 2009-10
	2009	2010		2009	2010	
Instruction	\$ 74,524,139	\$ 74,580,509	0.1%	\$54,819,312	\$51,388,598	(6.3%)
Support services student and instructional services	8,754,811	8,507,306	(2.8%)	7,830,524	7,548,184	(3.6%)
Administrative and business	10,590,758	10,704,315	1.1%	10,569,044	10,701,802	1.3%
Maintenance and operations	9,011,009	8,658,932	(3.9%)	9,011,009	8,570,795	(4.9%)
Transportation	3,501,716	3,521,943	0.6%	3,043,759	3,069,765	0.9%
Non-instructional	96,998	309,415	219.0%	96,998	187,625	93.4%
Other	9,984,213	10,665,620	6.8%	5,663,042	5,863,243	3.5%
<b>Total</b>	<b>\$116,463,644</b>	<b>\$116,948,040</b>	<b>0.4%</b>	<b>\$91,033,688</b>	<b>\$87,330,012</b>	<b>(4.1%)</b>

**Business-Type Activities**

District maintains only one activity within the business-type activities classification, and this is its school nutrition fund. School nutrition fund revenues increased by \$408,808 (9.1%) over the prior year. The increase is primarily the result of an increase in the federal government meal reimbursement dollars. This increased because there was an increase in eligible meals served and an increase in the number of students eligible for free and reduced meals.

The school nutrition fund balances remained relatively stable over the past three years.

**INDIVIDUAL FUND ANALYSIS**

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the District as a whole is reflected in its government funds. At June 30, 2010, total government fund balance was \$25,399,794.

**Management's Discussion and Analysis**

For Fiscal Year Ended June 30, 2010

**Governmental Fund Highlights**

- The District's fund and cash/investment balances and unspent balance improved in the 2009-10 fiscal year. At June 30, 2010, unspent balance was \$4,884,000.
- Salaries and benefits comprise over 81.5% of the general fund expenditures. These expenditures increased \$986,928 due primarily to increases caused by negotiated salary and benefits settlements.
- The physical plant and equipment levy (PPEL) fund balance remained relatively constant in FY 2009-10. The District carefully monitors this fund to ensure balances are carried over from year-to-year in order to meet possible unexpected emergency costs and also to take advantage of property acquisition opportunities.
- Capital projects fund revenues continue to grow because of sales tax revenue growth. These revenues, and related bond proceeds, are expended on Board-approved projects. Major projects already completed include the Eleanor Roosevelt Middle School, Prescott Elementary School, George Washington Carver Elementary School, substantial improvements to Stephen Hempstead High School and Irving Elementary School, and several other projects.

**Proprietary Fund Highlights**

As stated previously, the school nutrition fund is the only proprietary fund maintained by the District. With the exception of revenue and expenditure growth caused by the opening of new schools, the nutrition fund has remained relatively stable in terms of revenue, expenses, and fund balances.

**BUDGETARY HIGHLIGHTS**

The District maintains two types of budgets. The first is the *certified budget* which must meet certain state publication and monitoring requirements. The second is a management budget (sometimes called *line-item budget*) which is used by District administration to control and monitor expenditures. The District amended its *certified budget* in May of 2010 primarily to reflect increased expenditures in its debt service fund due to the refinancing of the District's sales tax revenue bonds and to more accurately classify expenditures among the four categories required by a *certified budget*. The *certified budget* needs to be tabulated in the following four functional areas: instruction, total support services, non-instructional programs, and total other expenditures.

In spite of the District's budgetary practice, the certified budget was exceeded in the non-instructional programs functional area due to the expenses being incurred after the latest permissible date for budget amendment.

**Management's Discussion and Analysis**

**For Fiscal Year Ended June 30, 2010**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2010, the District had invested \$94 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, infrastructure equipment, and transportation equipment. The year-end balance is an (0.4%) decrease over the prior year. More detailed information about the District's capital assets is presented in its Note 5 to the Financial Statements. Depreciation expense for the year was \$4,291,291.

The largest increase in capital assets during the year resulted from continued construction of facilities funded by sales tax revenues. The District is collecting over \$10 million annually from this fund source and it is anticipated its capital assets will continue to increase over the course of sales tax collection.

**Figure A-6  
Capital Assets, Net of Depreciation  
June 30, 2010**

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2009-10
	2009	2010	2009	2010	2009	2010	
Land	\$ 7,269,312	\$ 7,269,312	\$ 0	\$ 0	\$ 7,269,312	\$ 7,269,312	0.0%
Construction in progress	2,359,899	4,526,116	0	0	2,359,899	4,526,116	91.8%
Buildings and improvements	74,546,935	72,064,626	0	0	74,546,935	72,064,626	(3.3%)
Land improvements	2,042,807	1,838,666	0	0	2,042,807	1,838,666	(10.0%)
Equipment	6,152,678	6,227,930	407,724	369,501	6,560,402	6,597,431	0.6%
Vehicles	708,985	862,563	34,471	29,716	743,456	892,279	20.0%
<b>Total</b>	<b>\$93,080,616</b>	<b>\$92,789,213</b>	<b>\$442,195</b>	<b>\$399,217</b>	<b>\$93,522,811</b>	<b>\$93,188,430</b>	<b>(0.4%)</b>

The District currently has a bus replacement plan whereby it normally purchases six to ten school buses each year. The Board's intent is to retain only school buses that are ten years old or newer.

**Management's Discussion and Analysis**

For Fiscal Year Ended June 30, 2010

**Long-term Debt**

At June 30, 2010, the District had \$28,360,000 in revenue bond debt outstanding. This represents a decrease of approximately 14.8% from the prior year and results from paying bond principal and refinancing the previous bonds. The majority of the outstanding debt is secured by a first lien against sales tax collections. The District implemented GASB Statement No. 45 during the year ended June 30, 2009, resulting in a new liability called Other Post-Employment Benefits or OPEB for short. See Notes 6 and 8 to the Financial Statements for additional information.

**Figure A-7  
Outstanding Long-term Bond Obligations  
June 30, 2010**

	<b>Total District</b>		<b>Total Change</b>
	<b>2010</b>	<b>2009</b>	<b>2009-10</b>
Revenue bonds	\$28,360,000	\$33,299,833	(14.8%)

**ECONOMIC 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 future financial health:

- The level of *unspent balance* continues to be a District concern. Additions to *unspent balance* are controlled by the State of Iowa. The District continues to apply to the State School Budget Review Committee for *modified allowable growth* (a direct addition to *unspent balance*) whenever possible. District administration will continue to work with the State of Iowa Department of Education to ascertain when requests for *modified allowable growth* are appropriate.
- The Instructional Support Levy (ISL) is used to support a variety of education programs including the following:
  - ◆ Full-day, everyday kindergarten in every elementary school.
  - ◆ Grades K-3 class-size reduction.
  - ◆ Upgrading outdated equipment in classrooms, science and industrial technology labs, print centers, and the transportation department.
  - ◆ Restoration of site-based funding that was discontinued in prior years.

For years prior to 2008-09, the District's ISL rate was 5%. On February 3, 2009, the District's voters passed a referendum for a 10% ISL for fiscal years 2009-10 through 2018-19. This will increase the District's spending authority by approximately \$2.4 million per year.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2010

**ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE, continued**

- District employees are covered by the Iowa Public Employees Retirement System (IPERS). This system has experienced recent-year increases in its unfunded actuarial liability resulting in a change to both employer and employee contribution rates. The District cost of the rate increase exceeds \$194,000 for FY 2009-10. Annual employer (and employee) costs will increase (on a compounded basis) over the next two years for two reasons. First, the IPERS' contribution rate increases each year over the next two years. Second, wage levels will likely rise due to inflation and negotiated settlements. The IPERS' rate increase has a significant adverse effect on the District's financial health.
- In August of 2010, the District was notified that it would receive an allocation of \$2.2 million from the Federal Education Jobs Fund program. The intent of this program was to save or create education jobs. Although it is expected that the entire amount will be received in FY 2010-11, it is expected that the funds will be spent in FY 2010-11 and FY 2011-12.
- The *special education deficit* is the excess of special education costs incurred over special education revenues received. This deficit declined in FY 2009-10 by over \$1 million. This resulted primarily from increased revenue from federal sources. This federal revenue is likely to decrease in FY 2010-11.
- Iowa school district funding faces many challenges in future years. Approximately \$52 million of District revenues (primarily state aid) come from sources that are funded by state income, sales, and use taxes. These state revenues are expected to increase slightly for FY 2011-12 when compared to FY 2010-11 estimates; however, FY 2010-11 is expected to be a year of very low state revenue. In October 2010, estimates of Iowa FY 2010-11 general fund receipts were only 3.3% more than actual FY 2009-10 receipts. The estimated FY 2010-11 receipts were only 1% higher than actual FY 2006-07 receipts. Clearly, the state of the economy is still poor and a poor economy tends to hold down Iowa general fund revenues. These are the revenues that ultimately support state school aid. Until general fund revenues recover, it is unlikely that state school aid will increase in significant amounts.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ronald H. Holm, Executive Director of Finance and Business Services, Dubuque Community School District, 2300 Chaney Road, Dubuque, Iowa 52001.

# **Basic Financial Statements**

**Dubuque Community School District**

**Statement of Net Assets**

**June 30, 2010**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 32,376,268	\$ 924,753	\$ 33,301,021
Receivables:			
Property tax:			
Delinquent	488,264	0	488,264
Succeeding year	46,292,469	0	46,292,469
Accounts	42,268	0	42,268
Interest:			
ISCAP	4	0	4
Other	120,532	0	120,532
Due from other governments	4,769,560	0	4,769,560
Inventories	473,269	79,702	552,971
Security deposit	10,000	0	10,000
<b>Total current assets</b>	<b>\$ 84,572,634</b>	<b>\$1,004,455</b>	<b>\$ 85,577,089</b>
<b>Non-current assets:</b>			
Capital assets not being depreciated	\$ 11,795,428	\$ 0	\$ 11,795,428
Capital assets net of accumulated depreciation/amortization	80,993,785	399,217	81,393,002
<b>Total non-current assets</b>	<b>\$ 92,789,213</b>	<b>\$ 399,217</b>	<b>\$ 93,188,430</b>
<b>Total assets</b>	<b>\$177,361,847</b>	<b>\$1,403,672</b>	<b>\$178,765,519</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 1,651,644	\$ 130	\$ 1,651,774
Salaries and benefits payable	9,467,235	3,601	9,470,836
Early retirement payable	353,787	5,592	359,379
Unearned revenue	47,690,174	64,406	47,754,580
Security Deposit Payable	10,000	0	10,000
Accrued interest payable	264,854	0	264,854
Compensated absences	474,674	0	474,674
Long-term debt due within one year	8,710,000	0	8,710,000
<b>Total current liabilities</b>	<b>\$ 68,622,368</b>	<b>\$ 73,729</b>	<b>\$ 68,696,097</b>
<b>Long-term liabilities:</b>			
Long-term debt due more than one year	\$ 19,650,000	\$ 0	\$ 19,650,000
Net OPEB liability	2,134,543	69,365	2,203,908
<b>Total long-term liabilities</b>	<b>\$ 21,784,543</b>	<b>\$ 69,365</b>	<b>\$ 21,853,908</b>
<b>Total liabilities</b>	<b>\$ 90,406,911</b>	<b>\$ 143,094</b>	<b>\$ 90,550,005</b>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	\$ 64,429,213	\$ 399,217	\$ 64,828,430
<b>Restricted for:</b>			
Teacher salary supplement	1,876	0	1,876
Professional development	163,840	0	163,840
Market factor incentives	45,303	0	45,303
Four-year-old preschool state aid	419,955	0	419,955
Professional development for model core curriculum	216,860	0	216,860
Textbook aid for non-public students	22,209	0	22,209
Student activities	724,691	0	724,691
Management levy	1,822,856	0	1,822,856
Physical plant and equipment levy	1,683,172	0	1,683,172
Capital projects	4,427,498	0	4,427,498
Debt service	7,875,854	0	7,875,854
Unrestricted	5,121,609	861,361	5,982,970
<b>Total net assets</b>	<b>\$ 86,954,936</b>	<b>\$1,260,578</b>	<b>\$ 88,215,514</b>

See notes to financial statements.

Dubuque Community School District

Statement of Activities  
Year Ended June 30, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions, and Restricted Interest	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Instruction:							
Regular instruction	\$ 40,626,039	\$ 584,230	\$ 10,343,289	\$ 0	\$ (29,698,520)	\$ 0	\$ (29,698,520)
Special instruction	22,466,222	1,998,740	8,061,747	0	(12,405,735)	0	(12,405,735)
Other instruction	11,488,248	1,760,323	443,582	0	(9,284,343)	0	(9,284,343)
	<u>\$ 74,580,509</u>	<u>\$ 4,343,293</u>	<u>\$ 18,848,618</u>	<u>\$ 0</u>	<u>\$ (51,388,598)</u>	<u>\$ 0</u>	<u>\$ (51,388,598)</u>
Support services:							
Student services	\$ 5,064,842	\$ 0	\$ 445,208	\$ 0	\$ (4,619,634)	\$ 0	\$ (4,619,634)
Instructional staff services	3,442,464	0	513,914	0	(2,928,550)	0	(2,928,550)
Administration services	10,704,315	0	2,513	0	(10,701,802)	0	(10,701,802)
Operation & maintenance of plant services	8,658,932	0	0	0	(8,570,795)	0	(8,570,795)
Transportation services	3,521,943	34,133	418,045	88,137	(3,069,765)	0	(3,069,765)
	<u>\$ 31,392,496</u>	<u>\$ 34,133</u>	<u>\$ 1,379,680</u>	<u>\$ 88,137</u>	<u>\$ (29,890,546)</u>	<u>\$ 0</u>	<u>\$ (29,890,546)</u>
Non-instructional programs	\$ 309,415	\$ 0	\$ 121,790	\$ 0	\$ (187,625)	\$ 0	\$ (187,625)
AEA flowthrough	\$ 4,802,377	\$ 0	\$ 4,802,377	\$ 0	\$ 0	\$ 0	\$ 0
Interest and other charges	1,588,587	0	0	0	(1,588,587)	0	(1,588,587)
Other post-employment benefits	1,044,119	0	0	0	(1,044,119)	0	(1,044,119)
Depreciation and other expenses (unallocated)*	3,230,537	0	0	0	(3,230,537)	0	(3,230,537)
	<u>\$ 10,665,620</u>	<u>\$ 0</u>	<u>\$ 4,802,377</u>	<u>\$ 0</u>	<u>\$ (5,863,243)</u>	<u>\$ 0</u>	<u>\$ (5,863,243)</u>
Total governmental activities	\$ 116,948,040	\$ 4,377,426	\$ 25,152,465	\$ 88,137	\$ (87,330,012)	\$ 0	\$ (87,330,012)
<b>Business-type activities:</b>							
Non-instructional programs:							
Nutrition services	\$ 4,562,590	\$ 2,520,337	\$ 2,365,458	\$ 0	\$ 0	\$ 323,205	\$ 323,205
Total	<u>\$ 121,510,630</u>	<u>\$ 6,897,763</u>	<u>\$ 27,517,923</u>	<u>\$ 88,137</u>	<u>\$ (87,330,012)</u>	<u>\$ 323,205</u>	<u>\$ (87,006,807)</u>
<b>General Revenues:</b>							
Property tax levied for:							
General purposes					\$ 42,170,729	\$ 0	\$ 42,170,729
Capital outlay					2,857,384	0	2,857,384
Local option sales tax					10,420,491	0	10,420,491
Unrestricted state grants					40,152,782	0	40,152,782
Unrestricted investment earnings					747,429	23,113	770,542
Miscellaneous					854,031	0	854,031
Transfers					336,668	(336,668)	0
Total general revenues					<u>\$ 97,539,514</u>	<u>\$ (313,555)</u>	<u>\$ 97,225,959</u>
Change in net assets					\$ 10,209,502	\$ 9,650	\$ 10,219,152
Net assets beginning of year					76,745,434	1,250,928	77,996,362
Net assets end of year					<u>\$ 86,954,936</u>	<u>\$ 1,260,578</u>	<u>\$ 88,215,514</u>

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

See notes to financial statements.

Dubuque Community School District

Balance Sheet

Governmental Funds

June 30, 2010

	General	Capital Projects Fund	Debt Service Fund	Other Nonmajor Funds	Total
<b>Assets</b>					
Cash and pooled investment	\$17,147,237	\$2,681,189	\$7,875,854	\$4,671,988	\$32,376,268
Receivables:					
Property tax:					
Delinquent	422,654	0	0	65,610	488,264
Succeeding year	41,289,779	0	0	5,002,690	46,292,469
Accounts	42,268	0	0	0	42,268
Interest:					
ISCAP	4	0	0	0	4
Other	0	47,668	72,864	0	120,532
Due from other governments	2,982,248	1,699,175	0	88,137	4,769,560
Inventories	473,269	0	0	0	473,269
Security Deposit	10,000	0	0	0	10,000
Total assets	\$62,367,459	\$4,428,032	\$7,948,718	\$9,828,425	\$84,572,634
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,400,749	\$ 534	\$ 0	\$ 250,361	\$ 1,651,644
Salaries and benefits payable	9,467,235	0	0	0	9,467,235
Early retirement payable	22,092	0	0	331,695	353,787
Deferred revenue:					
Succeeding year property tax	41,289,779	0	0	5,002,690	46,292,469
Other	1,384,745	0	0	12,960	1,397,705
Security deposit payable	10,000	0	0	0	10,000
Total liabilities	\$53,574,600	\$ 534	\$ 0	\$5,597,706	\$59,172,840
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Inventories	\$ 473,269	\$ 0	\$ 0	\$ 0	\$ 473,269
Teacher salary supplement	1,876	0	0	0	1,876
Professional development	163,840	0	0	0	163,840
Market factor incentives	45,303	0	0	0	45,303
Four-year-old preschool state aid	419,955	0	0	0	419,955
Professional development for model core curriculum	216,860	0	0	0	216,860
Textbook aid for non-public students	22,209	0	0	0	22,209
Medicare claims	431	0	0	0	431
Student activities	0	0	0	724,691	724,691
Debt service	0	0	7,875,854	0	7,875,854
<b>Unreserved:</b>					
Designated for capital projects	0	4,427,498	0	0	4,427,498
<b>Undesignated:</b>					
General fund	7,449,116	0	0	0	7,449,116
Debt service fund	0	0	72,864	0	72,864
Special revenue funds	0	0	0	3,506,028	3,506,028
Total fund balances	\$ 8,792,859	\$4,427,498	\$7,948,718	\$4,230,719	\$25,399,794
<b>Total liabilities and fund balances</b>	<b>\$62,367,459</b>	<b>\$4,428,032</b>	<b>\$7,948,718</b>	<b>\$9,828,425</b>	<b>\$84,572,634</b>

See notes to financial statements.

Dubuque Community School District

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets

Year Ended June 30, 2010

Total fund balances of governmental funds (page 35) \$25,399,794

*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 as assets in the governmental funds. 92,789,213

Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds. (264,854)

Long-term liabilities, including bonds payable, compensated absences, and other post-employment benefits payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

Compensated absences	\$ 474,674	
Bonds payable	28,360,000	
Net OPEB liability	<u>2,134,543</u>	
		<u>(30,969,217)</u>

Net assets of governmental activities (page 33) \$86,954,936

See notes to financial statements.

Dubuque Community School District

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2010

	General	Capital Projects Fund	Debt Service Fund	Other Nonmajor Funds	Total
Revenues:					
Local sources:					
Local tax	\$ 39,500,290	\$10,420,491	\$ 0	\$5,527,822	\$ 55,448,603
Tuition	2,229,601	0	0	0	2,229,601
Other	1,579,095	183,833	228,437	1,725,368	3,716,733
State sources	52,406,469	0	0	3,557	52,410,026
Federal sources	12,569,777	0	0	88,137	12,657,914
Total revenues	\$108,285,232	\$10,604,324	\$ 228,437	\$7,344,884	\$126,462,877
Expenditures:					
Current:					
Instruction:					
Regular instruction	\$ 39,316,368	\$ 11,773	\$ 0	\$1,017,026	\$ 40,345,167
Special instruction	22,216,791	0	0	244,952	22,461,743
Other instruction	9,951,775	0	0	1,532,097	11,483,872
	\$ 71,484,934	\$ 11,773	\$ 0	\$2,794,075	\$ 74,290,782
Support services:					
Student services	\$ 5,006,659	\$ 0	\$ 0	\$ 46,657	\$ 5,053,316
Instructional staff services	3,342,386	0	0	80,418	3,422,804
Administration services	10,115,540	128,340	0	358,900	10,602,780
Operation and maintenance of plant services	8,018,101	0	0	536,077	8,554,178
Transportation services	2,811,826	0	0	653,265	3,465,091
	\$ 29,294,512	\$ 128,340	\$ 0	\$1,675,317	\$ 31,098,169
Non-instructional programs	\$ 247,508	\$ 0	\$ 0	\$ 59,309	\$ 306,817
Facilities acquisition	\$ 0	\$ 2,005,734	\$ 0	\$1,541,704	\$ 3,547,438
Debt service:					
Principal	0	0	33,299,833	0	33,299,833
Interest and other charges	0	124,086	1,199,647	0	1,323,733
AEA flowthrough	4,802,377	0	0	0	4,802,377
	\$ 4,802,377	\$ 2,129,820	\$ 34,499,480	\$1,541,704	\$ 42,973,381
Total expenditures	\$105,829,331	\$ 2,269,933	\$ 34,499,480	\$6,070,405	\$148,669,149
Excess (deficiency) of revenues over (under) expenditures	\$ 2,455,901	\$ 8,334,391	\$(34,271,043)	\$1,274,479	\$(22,206,272)
Other financing sources:					
Sales of property and equipment	\$ 14,986	\$ 0	\$ 0	\$ 8,645	\$ 23,631
Revenue bonds issued	0	0	28,360,000	0	28,360,000
Premium on bond issuance	0	0	334,732	0	334,732
Accrued interest on bond issuance	0	0	23,265	0	23,265
Transfers in	391,540	2,376,293	9,553,758	0	12,321,591
Transfers out	(4,148)	(9,554,266)	(2,376,293)	(50,216)	(11,984,923)
Net change in fund balances	\$ 2,858,279	\$ 1,156,418	\$ 1,624,419	\$1,232,908	\$ 6,872,024
Fund balances beginning of year	5,934,580	3,271,080	6,324,299	2,997,811	18,527,770
Fund balances end of year	\$ 8,792,859	\$ 4,427,498	\$ 7,948,718	\$4,230,719	\$ 25,399,794

See notes to financial statements.

**Dubuque Community School District**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds  
to the Statement of Activities**

**Year Ended June 30, 2010**

Net change in fund balances – total governmental funds (page 37) \$ 6,872,024

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$ 4,200,434	
Depreciation expense	<u>(4,291,292)</u>	(90,858)

Proceeds from the sale of property and equipment are reported in the governmental funds, however, in the Statement of Activities, it is netted against the book value of the assets being deleted and only the gain portion is recognized.

Book value of assets retired this year. (200,545)

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. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year repayments exceeded issues, as

Issued	\$(28,360,000)	
Repaid	<u>33,299,833</u>	4,939,833

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. (264,854)

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.

Compensated absences	\$ (1,979)	
Other post-employment benefits	<u>(1,044,119)</u>	(1,046,098)

**Change in net assets of governmental activities (page 34) \$10,209,502**

See notes to financial statements.

Dubuque Community School District

Statement of Net Assets

Proprietary Fund

June 30, 2010

	<u>School Nutrition</u>
<b>Assets:</b>	
Current assets:	
Cash	\$ 924,753
Inventories	<u>79,702</u>
Total current assets	<u>\$1,004,455</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>\$ 399,217</u>
<b>Total assets</b>	<b><u>\$1,403,672</u></b>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	\$ 130
Salaries and benefits payable	3,601
Early retirement payable	5,592
Deferred revenue	<u>64,406</u>
Total current liabilities	<u>\$ 73,729</u>
Non-current liabilities:	
Net OPEB liability	<u>\$ 69,365</u>
<b>Total liabilities</b>	<b><u>\$ 143,094</u></b>
<b>Net Assets:</b>	
Invested in capital assets	\$ 399,217
Unrestricted	<u>861,361</u>
<b>Total net assets</b>	<b><u>\$1,260,578</u></b>

See notes to financial statements.

Dubuque Community School District

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Fund

Year Ended June 30, 2010

	<u>School Nutrition</u>
Operating revenue:	
Local sources:	
Charges for service	<u>\$ 2,520,337</u>
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	\$ 1,562,266
Benefits	571,973
Purchased services	42,845
Supplies	2,308,653
Depreciation	<u>76,853</u>
Total operating expenses	<u>\$ 4,562,590</u>
Operating loss	<u>\$(2,042,253)</u>
Non-operating revenue:	
State sources	\$ 42,979
Federal sources	2,322,479
Interest on investments	<u>23,113</u>
Total non-operating revenue	<u>\$ 2,388,571</u>
Net income before transfers	\$ 346,318
Transfers in	7,824
Transfers out	<u>(344,492)</u>
Change in net assets	<u>\$ 9,650</u>
Net assets beginning of year	<u>1,250,928</u>
Net assets end of year	<u>\$ 1,260,578</u>

See notes to financial statements.

Dubuque Community School District

Statement of Cash Flows

Proprietary Fund

Year Ended June 30, 2010

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 2,461,241
Cash received from miscellaneous operating activities	58,740
Cash payments to employees for services	(2,100,215)
Cash payments to suppliers for goods or services	<u>(2,006,424)</u>
Net cash used in operating activities	<u>\$(1,586,658)</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 42,979
Federal grants received	1,993,904
Transfers from other funds	7,824
Transfers to other funds	<u>(344,492)</u>
Net cash provided by non-capital financing activities	<u>\$ 1,700,215</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>\$ (33,875)</u>
Cash flows from investing activities:	
Interest on investments	<u>\$ 23,113</u>
Net increase in cash and cash equivalents	\$ 102,795
Cash and cash equivalents at beginning of year	<u>821,958</u>
Cash and cash equivalents at end of year	<u>\$ 924,753</u>

(continued)

**Dubuque Community School District**  
**Statement of Cash Flows (continued)**  
**Proprietary Fund**  
**Year Ended June 30, 2010**

---

**School  
Nutrition**

---

**Reconciliation of operating loss to net cash used in operating activities:**

Operating loss	\$(2,042,253)
Adjustments to reconcile operating loss to net cash used in operation activities:	
Commodities used	335,414
Depreciation	76,853
Decrease in inventories	3,973
Increase in accounts payable	94
Increase in accrued salaries and benefits	5,687
(Decrease) in deferred revenue (non-federal grants)	(356)
Increase in net OPEB liability	<u>33,930</u>
Net cash used in operating activities	<u><u>\$(1,586,658)</u></u>

**Non-cash investing, capital, and financial activities:**

During the year ended June 30, 2010, the District received \$335,414 of Federal commodities.

See notes to financial statements.

Dubuque Community School District

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2010

	Private Purpose Trust	Scholarship	Agency
<b>Assets:</b>			
Cash	\$155,277		\$32,794
<b>Liabilities:</b>			
Other payables	\$ <u>    0</u>		<u>\$32,794</u>
<b>Net Assets:</b>			
Reserved for scholarships	<u>\$155,277</u>		<u>\$    0</u>

See notes to financial statements.

**Dubuque Community School District**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Year Ended June 30, 2010**

Private Purpose Trust

	<u>Total</u>
Additions:	
Local sources:	
Other local sources	\$ 8,619
Interest on investments	<u>3,870</u>
Total revenues	<u>\$ 12,489</u>
Deductions:	
Instruction:	
Regular instruction:	
Other	<u>\$ 10,735</u>
Change in net assets	\$ 1,754
Net assets beginning of year	<u>\$153,523</u>
Net assets end of year	<u>\$155,277</u>

# Dubuque Community School District

## Notes to Financial Statements

June 30, 2010

### Note 1: Summary of Significant Accounting Policies

Dubuque Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades pre-kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Dubuque, Iowa, portions of Dubuque County and Jackson County, Iowa. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

#### A. Reporting Entity

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

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the City of Dubuque and Dubuque Assessor's Conference Board.

#### B. Basis of Presentation

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2010

**Note 1: Summary of Significant Accounting Policies: (continued)**

B. Basis of Presentation: (continued)

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

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

*Unrestricted net assets* consist of net assets not meeting the definition of the preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, which can be removed or modified.

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

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The District reports the following major governmental funds:

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2010

**Note 1: Summary of Significant Accounting Policies: (continued)**

B. Basis of Presentation: (continued)

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

The District also reports fiduciary funds which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private-Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations, and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

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

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2010

Note 1: Summary of Significant Accounting Policies: (continued)

C. Measurement Focus and Basis of Accounting: (continued)

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

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

The proprietary fund of 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 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.

D. Assets, Liabilities and Fund Equity

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

Cash, Pooled Investments, and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value.

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2010

**Note 1: Summary of Significant Accounting Policies: (continued)**

D. Assets, Liabilities and Fund Equity: (continued)

Property Tax Receivable – Property tax in the governmental funds is accounted for using the modified accrual basis of accounting.

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2008, assessed property valuations; is for the tax accrual period July 1, 2009, through June 30, 2010, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2009.

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

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. The costs of governmental fund and proprietary fund inventories are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture, equipment, and intangibles are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. District machinery and equipment with a cost of more than \$1,500 will be capitalized. The Nutrition Fund equipment is capitalized with a cost of more than \$500.

# Dubuque Community School District

## Notes to Financial Statements

June 30, 2010

### Note 1: Summary of Significant Accounting Policies: (continued)

#### D. Assets, Liabilities and Fund Equity: (continued)

Property, furniture, equipment, and intangibles are depreciated using the straight-line method of depreciation over the following estimated useful lives:

Buildings	50 years
Improvements to buildings and sites	20 years
Furniture and equipment	5-12 years
Intangibles	3-5 years

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

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty (60) days after year end.

Deferred revenue in the Statement of Net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements for all employees. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2010. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose.

Dubuque Community School District

Notes to Financial Statements

June 30, 2010

**Note 1: Summary of Significant Accounting Policies: (continued)**

D. Assets, Liabilities and Fund Equity: (continued)

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 laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2010, expenditures in the non-instructional programs functional area exceeded the amounts budgeted.

**Note 2: Cash and Pooled Investments**

As of June 30, 2010, the book balance of the District's petty cash totaled \$4,725 and the cash deposit balances totaled \$28,925,367.

As of June 30, 2010, the District had investments as follows:

<u>Investment</u>	<u>Type</u>	<u>Issue Date</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Amount</u>
Dubuque Bank & Trust	Certificate of Deposit	04/20/07	75 months	07/20/13	\$ 859,000
Dubuque Bank & Trust	Certificate of Deposit	04/19/07	75 months	07/19/13	<u>3,700,000</u>
					<u>\$4,559,000</u>

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

Credit Risk: 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. The District has no investment policies that would further limit its investment choices.

**Dubuque Community School District**

**Notes to Financial Statements**

**June 30, 2010**

**Note 2: Cash and Pooled Investments: (continued)**

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

Custodial Credit Risk: For deposits and investments, this is the risk that, in the event of bank failure, the District's deposits may not be returned to it. Chapter 12C of the Code of Iowa requires all District deposits in banks to be entirely covered by federal depository insurance or by the State Sinking Fund. As of June 30, 2010, the District had no deposits or investments subject to custodial credit risk.

The following is a reconciliation of cash and investments as shown on the financial statements:

Petty cash	\$ 4,725
Cash deposits	28,925,367
Investments	<u>4,559,000</u>
	<u>\$33,489,092</u>
Governmental activities	\$32,376,268
Business-type activities	924,753
Fiduciary funds:	
Private Purpose Trust	155,277
Agency	<u>32,794</u>
	<u>\$33,489,092</u>

**Note 3: Inter-fund Transfers**

The detail of inter-fund transfers for the year ended June 30, 2010, is as follows:

Transfer to	Transfer from	Amount
Proprietary	General	\$ 4,148
Debt Service	Capital Projects	9,553,758
General	Proprietary	344,492
General	Special Revenue: Student Activity	46,541
General	Capital Projects	508
Capital Projects	Debt Service	2,376,293
Proprietary	Special Revenue: Student Activity	<u>3,676</u>
Total		<u>\$12,329,416</u>

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2010

**Note 4: Iowa School Cash Anticipation Program (ISCAP)**

The District participates in the Iowa School Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semiannual issuance of anticipatory warrants. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semi-annual period. Bankers Trust Co. NA is the trustee for the program.

The District pledges its state foundation aid payments and General Fund receipts as security for the warrants issued. Repayments must be made when General Fund receipts are received. The District must make minimum warrant repayments on the 25<sup>th</sup> of each month immediately following the final date the warrant proceeds may be used in an amount equal to 25% of the warrant amount. The interest rate on the Series 2009-10A warrants was 2.50%. A summary of the District's ISCAP activity for the year ended June 30, 2010, is as follows:

Series	Warrant Date	Final Warrant Maturity	Investments	Accrued Interest Receivable	Warrants Payable	Accrued Interest Payable	Unamortized Bond Premium
2009-10A	06/25/09	06/23/10	\$0	\$4	\$0	\$0	\$0

Series	Balance Beginning of Year	Advances Received	Advances Repaid	Balance End of Year
2009-10A	\$0	\$5,000,000	\$5,000,000	\$0

The warrants bear interest and the available proceeds of the warrants are invested at the interest rates shown below:

Series	Interest Rates on Warrants	Interest Rates on Investments
2009-10A	2.500%	0.902%

**Dubuque Community School District**

**Notes to Financial Statements**

**June 30, 2010**

**Note 5: Capital Assets**

Capital assets activity for the year ended June 30, 2010, is as follows:

	<b>Balance Beginning of Year</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Balance End of Year</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 7,269,312	\$ 0	\$ 0	\$ 7,269,312
Construction in progress	2,359,899	2,460,278	(294,061)	4,526,116
Total capital assets not being depreciated	<u>\$ 9,629,211</u>	<u>\$ 2,460,278</u>	<u>\$ (294,061)</u>	<u>\$ 11,795,428</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 99,874,347	\$ 0	\$ (24,800)	\$ 99,849,547
Land improvements	5,907,137	0	0	5,907,137
Furniture and equipment	19,203,923	2,034,216	(1,095,457)	20,142,682
Total capital assets being depreciated	<u>\$124,985,407</u>	<u>\$ 2,034,216</u>	<u>\$ (1,120,257)</u>	<u>\$125,899,366</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 25,327,412	\$ 2,482,309	\$ (24,800)	\$ 27,784,921
Land improvements	3,864,330	204,141	0	4,068,471
Furniture and equipment	12,342,260	1,604,841	(894,912)	13,052,189
Total accumulated depreciation	<u>\$ 41,534,002</u>	<u>\$ 4,291,291</u>	<u>\$ (919,712)</u>	<u>\$ 44,905,581</u>
Total capital assets being depreciated, net	<u>\$ 83,451,405</u>	<u>\$ (2,257,075)</u>	<u>\$ (200,545)</u>	<u>\$ 80,993,785</u>
Governmental activities capital assets, net	<u>\$ 93,080,616</u>	<u>\$ 203,203</u>	<u>\$ (494,606)</u>	<u>\$ 92,789,213</u>
<b>Business-type Activities:</b>				
Furniture and equipment	\$ 1,497,604	\$ 33,875	\$ (10,658)	\$ 1,520,821
Less accumulated depreciation	1,055,409	76,853	(10,658)	1,121,604
Business-type activities capital assets, net	<u>\$ 442,195</u>	<u>\$ (42,978)</u>	<u>\$ 0</u>	<u>\$ 399,217</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2010

**Note 5: Capital Assets: (continued)**

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 426,758
Special	16,990
Other	56,745

Support services:

Student services	11,526
Instructional staff	20,179
Administration	144,499
Operation and maintenance of plant	124,314
Transportation	434,089
Non-instructional programs	2,569
	<u>\$1,237,669</u>

Unallocated depreciation 3,053,622

Total governmental activities depreciation expense \$4,291,291

Business-type activities:

Food services	
Regular depreciation	<u>\$ 76,853</u>

**Note 6: Long-term Liabilities**

Changes in long-term liabilities for the year ended June 30, 2010, are summarized as follows:

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance End of Year</b>	<b>Due Within One Year</b>
Governmental activities:					
Revenue bonds	\$33,299,833	\$28,360,000	\$33,299,833	\$28,360,000	\$8,710,000
Compensated absences	472,695	474,674	472,695	474,674	474,674
Net OPEB liability	1,090,424	1,044,119	0	2,134,543	0
	<u>\$34,862,952</u>	<u>\$29,878,793</u>	<u>\$33,772,528</u>	<u>\$30,969,217</u>	<u>\$9,184,674</u>
Business type activities:					
Net OPEB liability	<u>\$ 35,435</u>	<u>\$ 33,930</u>	<u>\$ 0</u>	<u>\$ 69,365</u>	<u>\$ 0</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2010

Note 6: Long-term Liabilities: (continued)

Revenue Bonds Payable

Summary of debt service requirements to maturity on the outstanding bonded indebtedness and loans as of June 30, 2010, is as follows:

<b>Summary – Debt Service Requirements to Maturity</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 8,710,000	\$ 523,617	\$ 9,233,617
2012	7,200,000	412,250	7,612,250
2013	7,600,000	221,500	7,821,500
2014	4,850,000	58,500	4,908,500
	<u>\$28,360,000</u>	<u>\$1,215,867</u>	<u>\$29,575,867</u>

Details of the District's June 30, 2010, school infrastructure sales, services and use tax revenue refunding bond indebtedness are as follows:

**Series 2009 Bonds**

<b>Year Ending June 30,</b>	<b>Interest Rate</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	2.75%	\$ 0	\$225,625	\$ 225,625
2012	2.75%	6,000,000	183,750	6,183,750
2013	3.00%	2,000,000	30,000	2,030,000
Total		<u>\$8,000,000</u>	<u>\$439,375</u>	<u>\$8,439,375</u>

**Series 2010A Bonds**

<b>Year Ending June 30,</b>	<b>Interest Rate</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	1.50%	<u>\$8,610,000</u>	<u>\$82,575</u>	<u>\$8,692,575</u>

**Series 2010B Bonds**

<b>Year Ending June 30,</b>	<b>Interest Rate</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	2.00%	\$ 100,000	\$215,417	\$ 315,417
2012	2.00%	1,200,000	228,500	1,428,500
2013	2.00%	5,600,000	191,500	5,791,500
2014	2.00%	4,850,000	58,500	4,908,500
Total		<u>\$11,750,000</u>	<u>\$693,917</u>	<u>\$12,443,917</u>

## Dubuque Community School District

### Notes to Financial Statements

June 30, 2010

#### Note 6: Long-term Liabilities: (continued)

The District has pledged future statewide sales, services and use tax revenues to repay the \$28,360,000 of bonds issued in December 2009 and March 2010. The bonds were issued for the purpose of refinancing all of the District's former outstanding bonds. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2014. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require a large percentage of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$29,575,867. For the current year, no principal or interest was paid on the refinanced bonds and \$34,306,931 of principal and interest was paid on the former bonds.

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

- a) \$2,836,000 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all revenue-bond provisions during the year ended June 30, 2010.

During the year ended June 30, 2010, the District made interest payments totaling \$1,007,098.

#### Note 7: Pension and Retirement Benefits

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.

## Dubuque Community School District

### Notes to Financial Statements

June 30, 2010

#### Note 7: Pension and Retirement Benefits: (continued)

Plan members are required to contribute 4.30% of their annual covered salary and the District is required to contribute 6.65% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2010, 2009, and 2008 were \$4,313,135, \$4,199,404, and \$3,807,858, respectively, equal to the required contributions for each year.

The District offers voluntary early retirement plans to its certified, administrative, and classified employees. Eligible employees must be at least age fifty-five, must have completed either fifteen or twenty years of service, depending on the employee's classification, and the last five years must be consecutive or employed for thirty years, of which the last one year shall be consecutive full-time. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement incentive for each eligible employee is up to 50% of the employee's base salary calculated by using different methods depending on the type of employee.

The cost of early retirements expected to be liquidated currently, are recorded as a liability of the special revenue – management levy fund. At June 30, 2010, the District has obligations to thirty-two (32) participants with a total accrued liability of \$359,379. These early retirement benefits will be paid July 1, 2010.

Early retirement benefits paid during the year ended June 30, 2010, totaled \$1,041,358.

#### Note 8: Other Post-employment Benefits

The District implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions during the year ended June 30, 2009.

Plan Description: The Dubuque Community School District sponsors a single-employer health care plan that provides medical and prescription drug benefits to all eligible active and retired employees and their eligible dependents. Retiree coverage begins at IPERS retirement age of at least 55 and continues until the retiree is Medicare eligible at age 65. Eligibility requirements under IPERS are summarized as follows: a) Normal Retirement – earliest of the first day of the month of employee's 65<sup>th</sup> birthday, age 62 with 20 years of service, or Rule of 88 (age plus years of service of at least 88) with a minimum age of 55, b) Early Retirement – age 55, and c) Disability – 4 years of service. The plan does not issue a stand-alone financial report.

Funding Policy: The health insurance plan contributions on behalf of retirees are based on decisions made by the School Board. Retirees pay a portion of the premium amount. The current funding policy of the District is to pay insurance premiums as they become due.

**Dubuque Community School District**

**Notes to Financial Statements**

**June 30, 2010**

**Note 8: Other Post-employment Benefits: (continued)**

Annual OPEB Cost and Net OPEB Obligation: The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to exceed thirty (30) years.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2010, the amount actuarially contributed to the plan and changes in the District's annual OPEB obligation:

Annual required contribution	\$1,718,096
Interest on net OPEB obligation	45,034
Adjustment to annual required contribution	<u>(40,195)</u>
Annual OPEB cost (expenses)	\$1,722,935
Contributions and payments made	<u>(644,886)</u>
Increase in net OPEB obligation	\$1,078,049
Net OPEB obligation – June 30, 2009	<u>1,125,859</u>
Net OPEB obligation – June 30, 2010	\$2,203,908

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end-of-year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2009 and the two preceding years is shown below. June 30, 2009, was the transition year of GASB Statement No. 45.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$1,718,096	34.5%	\$1,125,859
June 30, 2010	\$1,722,935	37.4%	\$2,203,908

Funded Status and Funding Progress: As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2009, through June 30, 2010, the actuarial accrued liability was \$17.672 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$17.672 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$64,871,878 and the ratio of the UAAL to covered payroll was 27.2%. As of June 30, 2010, there were no trust fund assets.

Dubuque Community School District

Notes to Financial Statements

June 30, 2010

**Note 8: Other Post-employment Benefits: (continued)**

Actuarial Methods and Assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2008, actuarial valuation the unit credit actuarial cost method was used. The actuarial assumptions included an annual health care cost trend rate of 8% initially, grading down to 4.5%. The District's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at July 1, 2008, was 30 years.

**Note 9: Risk Management**

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

**Note 10: Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$4,802,377 for the year ended June 30, 2010, and is recorded in the general fund by making a memorandum adjusting entry to the financial statements.

**Note 11: Construction and Other Commitments**

On November 11, 2008, the District signed a \$3,424,900 contract for the construction of an addition to Irving Elementary School. As of June 30, 2010, \$78,307 of change orders had been added to the project. Funding will come from the capital projects fund. As of June 30, 2010, \$3,485,207 had been paid on the contract.

## Dubuque Community School District

### Notes to Financial Statements

June 30, 2010

#### Note 11: Construction and Other Commitments: (continued)

On March 9, 2010, the District signed a \$393,500 contract for the construction of an addition to Central Kitchen/Warehouse Building. As of June 30, 2010, no change orders had been added to the project. Funding will come from the physical plant and equipment levy. As of June 30, 2010, \$163,908 had been paid on the contract.

At June 30, 2010, the District also had approximately \$61,980 in commitments related to unfilled purchase orders for goods and services.

#### Note 12: New Governmental Accounting Standards Board (GASB) Statements

The District implemented the following statements:

- The GASB has issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. This standard requires the District to capitalize these costs and amortize them over their estimated life cycle. This Statement had no effect on the District in the current year because the District currently does not have any of these type of intangibles nor purchased any during the year.
- The GASB has issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. This Statement had no effect on the District in the current year.
- The GASB has issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. This Statement establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms (that is, approves) a new payment plan. This Statement had no effect on the District in the current year.

As of June 30, 2010, the GASB had issued a statement not yet implemented by the District. The statement which might impact the District is as follows:

- The GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes new categories for reporting fund balance and revises the definitions for governmental fund types. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

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

## **Required Supplementary Information**

Dubuque Community School District

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses,  
and Changes in Balances – Budget and Actual

All Governmental Funds and Proprietary Fund

Required Supplementary Information

Year Ended June 30, 2010

	Actual Amounts			Budgeted Amounts		Final to Actual Variance
	Governmental Funds	Proprietary Fund	Total	Original	Amended	
<b>Revenues:</b>						
Local sources	\$ 61,394,937	\$2,543,450	\$ 63,938,387	\$ 63,502,268	\$ 63,502,268	\$ 436,119
State sources	52,410,026	42,979	52,453,005	64,013,233	64,013,233	(11,560,228)
Federal sources	12,657,914	2,322,479	14,980,393	5,503,500	5,503,500	9,476,893
Total revenues	\$126,462,877	\$4,908,908	\$131,371,785	\$133,019,001	\$133,019,001	\$ (1,647,216)
<b>Expenditures:</b>						
Instruction	\$ 74,290,782	\$ 0	\$ 74,290,782	\$ 74,811,000	\$ 77,811,000	\$ 3,520,218
Support services	31,098,169	0	31,098,169	32,127,557	33,127,557	2,029,388
Non-instructional programs	306,817	4,562,590	4,869,407	4,335,122	4,585,122	(284,285)
Other expenditures	42,973,381	0	42,973,381	17,076,734	45,076,734	2,103,353
Total expenditures	\$148,669,149	\$4,562,590	\$153,231,739	\$128,350,413	\$160,600,413	\$ 7,368,674
Excess (deficiency) of revenues over expenditures	\$(22,206,272)	\$ 346,318	\$(21,859,954)	\$ 4,668,588	\$(27,581,412)	\$ 5,721,458
Other financing sources, net	29,078,296	(336,668)	28,741,628	39,055	39,055	28,702,573
Excess (deficiency) of revenues and other financing sources over expenditures	\$ 6,872,024	\$ 9,650	\$ 6,881,674	\$ 4,707,643	\$(27,542,357)	\$34,424,031
Balances beginning of year	18,527,770	1,250,928	19,778,698	15,633,950	15,633,950	4,144,748
Balances end of year	\$ 25,399,794	\$1,260,578	\$ 26,660,372	\$ 20,341,593	\$(11,908,407)	\$38,568,779

See accompanying independent auditors' report.

**Dubuque Community School District**

**Notes to Required Supplementary Information – Budgetary Reporting**

**Year Ended June 30, 2010**

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the general fund and each major special revenue fund.

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs, and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the general fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$32,250,000.

During the year ended June 30, 2010, expenditures in the non-instructional programs function exceeded the amounts budgeted.

Dubuque Community School District

Schedule of Funding Progress for the Retiree Health Benefit Plan

Required Supplementary Information

June 30, 2010

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	7/1/2008	\$0	\$17,672,059	\$17,672,059	0.0%	\$66,137,994	26.7%
2010	7/1/2008	\$0	\$17,672,059	\$17,672,059	0.0%	\$64,871,878	27.2%

IPERS covered payroll for FY 2010

Note: Fiscal year 2009 was the transition year for GASB Statement No. 45

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status, and funding progress.

## **Other Supplementary Information**

**Dubuque Community School District**

**Nonmajor Governmental Funds**

**Special Revenue Funds**

**June 30, 2010**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Student Activity Fund                      Accounts for funds raised by student groups. Under state law the Board retains responsibility for the Student Activity Fund's ultimate disposition.

Management Fund                         Accounts for resources accumulated and payments made for property insurance, fidelity bonds, worker compensation, liability premiums, unemployment insurance claims and early retirement incentives.

Physical Plant and  
Equipment Levy Fund                      Accounts for resources accumulated and payments made for the purchase and improvement of grounds; purchase of buildings; major repairs, remodeling, reconstructing, improving or expanding the schools or buildings; expenditures for energy conservation; and for equipment purchases. The purchase of transportation vehicles qualifies under the law.

Dubuque Community School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2010

		Special Revenue			
		Management Levy	Student Activity	Physical Plant and Equipment Levy	Total
<b>Assets</b>					
Cash		\$2,150,211	\$747,769	\$1,774,008	\$4,671,988
Receivables:					
Property tax:					
Delinquent		28,574	0	37,036	65,610
Succeeding year		1,999,950	0	3,002,740	5,002,690
Due from other governments		0	0	88,137	88,137
<b>Total Assets</b>		<b>\$4,178,735</b>	<b>\$747,769</b>	<b>\$4,901,921</b>	<b>\$9,828,425</b>
<b>Liabilities and Fund Equity</b>					
Liabilities:					
Accounts payable		\$ 18,603	\$ 23,078	\$ 208,680	\$ 250,361
Early retirement payable		331,695	0	0	331,695
Deferred revenue:					
Succeeding year property tax		1,999,950	0	3,002,740	5,002,690
Other		5,631	0	7,329	12,960
Total liabilities		<b>\$2,355,879</b>	<b>\$ 23,078</b>	<b>\$3,218,749</b>	<b>\$5,597,706</b>
Fund equity:					
Reserved for student activities		\$ 0	\$724,691	\$ 0	\$ 724,691
Unreserved/undesignated fund balances		1,822,856	0	1,683,172	3,506,028
Total fund balances		<b>\$1,822,856</b>	<b>\$724,691</b>	<b>\$1,683,172</b>	<b>\$4,230,719</b>
<b>Total liabilities and fund equity</b>		<b>\$4,178,735</b>	<b>\$747,769</b>	<b>\$4,901,921</b>	<b>\$9,828,425</b>

See accompanying independent auditors' report.

Dubuque Community School District

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2010

	Special Revenue			Total
	Management Levy	Student Activity	Physical Plant and Equipment Levy	
<b>Revenues:</b>				
Local sources:				
Local tax	\$2,670,438	\$ 0	\$2,857,384	\$5,527,822
Other	174,884	1,520,729	29,755	1,725,368
State sources	1,777	0	1,780	3,557
Federal sources	0	0	88,137	88,137
Total revenues	<u>\$2,847,099</u>	<u>\$1,520,729</u>	<u>\$2,977,056</u>	<u>\$7,344,884</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular instruction	\$ 549,220	\$ 0	\$ 467,806	\$1,017,026
Special instruction	244,952	0	0	244,952
Other instruction	3,158	1,483,207	45,732	1,532,097
Support services:				
Student services	46,657	0	0	46,657
Instructional staff services	80,418	0	0	80,418
Administration services	277,516	0	81,384	358,900
Operation and maintenance of plant services	438,794	0	97,283	536,077
Transportation services	111,305	1,050	540,910	653,265
Non-instructional programs	59,309	0	0	59,309
Other expenditures:				
Facilities acquisition	0	0	1,541,704	1,541,704
Total expenditures	<u>\$1,811,329</u>	<u>\$1,484,257</u>	<u>\$2,774,819</u>	<u>\$6,070,405</u>
Excess (deficiency) of revenues over (under) expenditures	\$1,035,770	\$ 36,472	\$ 202,237	\$1,274,479
Other financing sources:				
Sales of property and equipment	\$ 0	\$ 0	\$ 8,645	\$ 8,645
Operating transfers out	0	(50,216)	0	(50,216)
Net change in fund balances	<u>\$1,035,770</u>	<u>\$ (13,744)</u>	<u>\$ 210,882</u>	<u>\$1,232,908</u>
Fund balances beginning of year	787,086	738,435	1,472,290	2,997,811
Fund balances end of year	<u>\$1,822,856</u>	<u>\$ 724,691</u>	<u>\$1,683,172</u>	<u>\$4,230,719</u>

See accompanying independent auditors' report.

Dubuque Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2010

	Balance June 30, 2009	Revenues	Expenditures	Balance June 30, 2010
Senior High Schools:				
Central Alternative	\$ 13,703	\$ 11,944	\$ 19,488	\$ 6,159
Stephen Hempstead	195,445	446,127	443,515	198,057
Dubuque Senior	149,547	501,564	462,355	188,756
Total Senior High Schools	<u>\$358,695</u>	<u>\$ 959,635</u>	<u>\$ 925,358</u>	<u>\$392,972</u>
Middle Schools:				
Jefferson	\$ 54,964	\$ 42,984	\$ 39,062	\$ 58,886
Washington	67,995	43,969	71,944	40,020
Roosevelt	65,851	65,003	47,708	83,146
Total Middle Schools	<u>\$188,810</u>	<u>\$ 151,956</u>	<u>\$ 158,714</u>	<u>\$182,052</u>
Elementary Schools:				
Audubon	\$ 16,245	\$ 1,632	\$ 451	\$ 17,426
Bryant	3,457	6,857	6,728	3,586
Eisenhower	3,702	2,569	4,923	1,348
Carver	5,411	14,014	12,327	7,098
Fulton	24,828	7,061	9,325	22,564
Hoover	28,032	12,168	12,308	27,892
Irving	26,794	18,506	16,935	28,365
Kennedy	14,284	2,702	4,974	12,012
Lincoln	3,896	10,467	11,653	2,710
Marshall	11,012	5,945	4,839	12,118
Prescott	4,281	4,366	5,179	3,468
Sageville	2,019	8,192	7,792	2,419
Table Mound	7,242	4,946	3,489	8,699
Jones Hand-in-Hand Preschool	946	2,860	2,469	1,337
Total Elementary Schools	<u>\$152,149</u>	<u>\$ 102,285</u>	<u>\$ 103,392</u>	<u>\$151,042</u>
Athletic reserve	\$ 40,253	\$ 297,023	\$ 340,677	\$ (3,401)
District instrumental music	(1,472)	9,830	6,332	2,026
	<u>\$ 38,781</u>	<u>\$ 306,853</u>	<u>\$ 347,009</u>	<u>\$ (1,375)</u>
Grand Total	<u>\$738,435</u>	<u>\$1,520,729</u>	<u>\$1,534,473</u>	<u>\$724,691</u>

See accompanying independent auditors' report.

Dubuque Community School District  
Schedule of Changes in Fiduciary Net Assets  
Fiduciary Funds  
Year Ended June 30, 2010

	Private Purpose Trust				Total
	Trust	Scholarships			
	Prescott Elementary Trust	Dubuque Senior High School Scholarships	Stephen Hempstead High School Scholarships	Central High School Scholarship	
Additions:					
Local sources:					
Other local sources	\$ 0	\$ 4,019	\$ 4,600	\$ 0	\$ 8,619
Interest on investments	<u>381</u>	<u>2,752</u>	<u>721</u>	<u>16</u>	<u>3,870</u>
Total revenues	<u>\$ 381</u>	<u>\$ 6,771</u>	<u>\$ 5,321</u>	<u>\$ 16</u>	<u>\$ 12,489</u>
Deductions:					
Instruction:					
Regular instruction:					
Other	<u>\$ 0</u>	<u>\$ 6,180</u>	<u>\$ 4,555</u>	<u>\$ 0</u>	<u>\$ 10,735</u>
Change in net assets	\$ 381	\$ 591	\$ 766	\$ 16	\$ 1,754
Net assets beginning of year	<u>\$14,931</u>	<u>\$107,358</u>	<u>\$30,626</u>	<u>\$608</u>	<u>\$153,523</u>
Net assets end of year	<u>\$15,312</u>	<u>\$107,949</u>	<u>\$31,392</u>	<u>\$624</u>	<u>\$155,277</u>

See notes to financial statements.

**Dubuque Community School District**  
**Schedule of Changes in Fiduciary Assets and Liabilities**  
**Agency Fund**  
**Year Ended June 30, 2010**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance End of Year</b>
<b>Assets</b>				
Cash	\$30,772	\$29,512	\$27,490	\$32,794
Total assets	<u>\$30,772</u>	<u>\$29,512</u>	<u>\$27,490</u>	<u>\$32,794</u>
<b>Liabilities</b>				
Other payables	<u>\$30,772</u>	<u>\$29,512</u>	<u>\$27,490</u>	<u>\$32,794</u>
Total liabilities	<u>\$30,772</u>	<u>\$29,512</u>	<u>\$27,490</u>	<u>\$32,794</u>

See accompanying independent auditors' report.

This page intentionally left blank



**Dubuque Community School District**

**Schedule of Revenues by Source and Expenditures by Function**

**All Governmental Funds**

**For the Last Ten Years**

	<b>Modified Accrual Basis</b>			
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>				
Local sources:				
Local tax	\$ 55,448,603	\$ 53,527,722	\$ 49,698,676	\$ 47,166,139
Tuition	2,229,601	2,054,271	1,974,497	1,970,036
Other	3,716,733	3,845,347	4,531,034	4,342,335
State sources	52,410,026	60,032,976	57,095,921	51,611,486
Federal sources	12,657,914	6,694,658	4,296,825	3,460,383
Total	<u>\$126,462,877</u>	<u>\$126,154,974</u>	<u>\$117,596,953</u>	<u>\$108,550,379</u>
<b>Expenditures:</b>				
Instruction:				
Regular instruction	\$ 40,345,167	\$ 41,870,736	\$ 39,315,976	\$ 36,383,897
Special instruction	22,461,743	22,934,962	19,711,873	17,799,574
Other instruction	11,483,872	8,923,625	9,841,978	9,059,837
Support services:				
Student services	5,053,316	5,093,057	4,893,096	4,422,022
Instructional staff services	3,422,804	3,552,175	3,755,466	3,615,550
Administration services	10,602,780	10,349,190	10,428,962	10,120,152
Operation and maintenance of plant services	8,554,178	8,958,199	9,118,255	8,564,905
Transportation services	3,465,091	3,019,418	3,145,333	3,729,525
Non-instructional programs	306,817	93,675	143,549	133,012
Other expenditures:				
Facilities acquisition	3,547,438	3,718,729	6,024,792	18,839,199
Debt service:				
Principal	33,299,833	7,466,208	4,496,208	1,036,209
Interest and fiscal charges	1,323,733	1,482,355	1,675,126	1,542,704
AEA flowthrough	4,802,377	4,321,171	4,106,863	3,803,870
TIF property tax payment to City and other property taxes	0	229	25,690	26,248
City street assessments	0	0	0	79,548
Total	<u>\$148,669,149</u>	<u>\$121,783,729</u>	<u>\$116,683,167</u>	<u>\$119,156,252</u>

See accompanying independent auditors' report.

Dubuque Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds

For the Last Ten Years

Modified Accrual Basis					
2006	2005	2004	2003	2002	2001
\$ 43,695,073	\$ 40,863,268	\$36,562,089	\$28,511,489	\$26,263,207	\$22,827,624
1,591,829	1,522,456	1,236,803	1,430,405	1,459,144	1,275,735
4,853,070	3,776,111	3,267,111	3,584,566	3,263,275	3,872,223
47,796,591	44,019,322	41,348,965	40,931,161	40,822,487	39,550,245
3,630,635	3,035,986	3,274,481	2,674,714	2,044,411	2,544,275
<u>\$101,567,198</u>	<u>\$ 93,217,143</u>	<u>\$85,689,449</u>	<u>\$77,132,335</u>	<u>\$73,852,524</u>	<u>\$70,070,102</u>
\$ 34,064,192	\$ 31,370,284	\$28,594,425	\$26,540,765	\$26,438,968	\$23,744,225
16,289,430	14,828,336	13,290,321	12,220,711	12,187,040	10,717,714
8,659,689	8,018,424	7,673,923	7,456,799	7,278,739	7,154,626
4,285,632	3,944,056	3,753,351	3,372,238	3,193,569	2,902,050
4,135,111	3,960,303	3,579,280	3,987,323	3,728,985	3,596,061
9,499,497	8,165,361	7,615,556	6,764,538	7,162,474	6,651,711
8,312,753	6,382,867	6,237,741	6,214,273	5,874,324	5,763,114
3,364,702	3,108,408	3,006,514	2,832,057	2,680,612	2,556,339
166,235	183,046	236,125	221,806	173,418	184,937
21,353,125	29,054,751	7,451,272	4,473,750	2,375,210	1,910,804
101,208	7,000,000	0	0	0	0
1,236,956	491,732	0	0	0	0
3,532,385	3,307,910	3,233,844	3,337,833	3,301,539	3,352,085
26,248	0	0	0	0	0
0	0	0	0	0	0
<u>\$115,027,163</u>	<u>\$119,815,478</u>	<u>\$84,672,352</u>	<u>\$77,422,093</u>	<u>\$74,394,878</u>	<u>\$68,533,666</u>

# STATISTICAL SECTION

**Dubuque Community School District**  
**Statistical Section (unaudited)**  
**Narrative Explanations**

The statistical section of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Tables</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	1 - 9
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	10 - 13
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	14 - 17
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	18 - 19
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	20 - 22

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The District implemented GASB Statement No. 34 in FY 2003; schedules presenting government-wide information include information beginning in that year.*

**Dubuque Community School District**  
**Net Assets by Components**  
**Last Eight Fiscal Years \***

(accrual basis of accounting) (Unaudited)	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Governmental activities:</b>								
Invested in capital assets, net of related debt	\$64,429,213	\$59,780,783	\$53,355,696	\$43,446,260	\$41,984,932	\$29,300,136	\$28,108,806	\$24,793,170
Restricted	17,404,114	9,206,811	8,920,643	6,559,669	5,713,421	2,201,244	2,161,357	168,460
Unrestricted	5,121,609	7,757,840	4,416,579	5,627,070	8,371,837	15,351,153	8,563,967	7,730,002
<b>Total governmental activities net assets</b>	<b>\$86,954,936</b>	<b>\$76,745,434</b>	<b>\$66,692,918</b>	<b>\$55,632,999</b>	<b>\$56,070,190</b>	<b>\$46,852,533</b>	<b>\$38,834,130</b>	<b>\$32,691,632</b>
<b>Business-type activities:</b>								
Invested in capital assets, net of related debt	\$ 399,217	\$ 442,195	\$ 483,616	\$ 537,950	\$ 518,906	\$ 477,625	\$ 487,797	\$ 248,507
Restricted	0	0	0	0	0	0	0	0
Unrestricted	861,361	808,733	882,625	877,323	714,858	707,623	763,024	964,753
<b>Total business-type activities net assets</b>	<b>\$ 1,260,578</b>	<b>\$ 1,250,928</b>	<b>\$ 1,366,241</b>	<b>\$ 1,415,273</b>	<b>\$ 1,233,764</b>	<b>\$ 1,185,248</b>	<b>\$ 1,250,821</b>	<b>\$ 1,213,260</b>
<b>Primary government:</b>								
Invested in capital assets, net of related debt	\$64,828,430	\$60,222,978	\$53,839,312	\$43,984,210	\$42,503,838	\$29,777,761	\$28,596,603	\$25,041,677
Restricted	17,404,114	9,206,811	8,920,643	6,559,669	5,713,421	2,201,244	2,161,357	168,460
Unrestricted	5,982,970	8,566,573	5,299,204	6,504,393	9,086,695	16,058,776	9,326,991	8,694,755
<b>Total primary government net assets</b>	<b>\$88,215,514</b>	<b>\$77,996,362</b>	<b>\$68,059,159</b>	<b>\$57,048,272</b>	<b>\$57,303,954</b>	<b>\$48,037,781</b>	<b>\$40,084,951</b>	<b>\$33,904,892</b>

**Source:** District Financial Records

\* **Note:** The District began to report accrual information when it implemented GASB 34 in the 2002-2003 fiscal year.

**Dubuque Community School District**  
**Expenses, Program Revenues, and Net (Expense) Revenue**  
**Last Eight Fiscal Years \***

(accrual basis of accounting) (Unaudited)	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:								
Governmental activities:								
Instruction	\$ 74,580,509	\$ 74,524,139	\$ 67,010,362	\$ 68,921,618	\$ 57,066,744	\$ 53,686,035	\$ 50,509,332	\$ 45,653,641
Student services	5,064,842	5,147,311	4,766,058	4,813,824	4,149,153	3,908,916	3,843,081	5,654,792
Instructional staff services	3,442,464	3,607,500	3,677,598	3,873,716	3,987,756	3,955,118	3,655,740	3,338,398
Administration services	10,704,315	10,590,758	10,125,713	10,955,010	9,174,908	8,137,338	7,825,390	4,975,554
Operation and maintenance of plant services	8,658,932	9,011,009	8,835,601	8,967,625	7,960,412	6,417,589	6,422,972	6,161,272
Transportation services	3,521,943	3,501,716	3,683,632	3,738,099	3,259,502	3,120,256	3,003,369	2,714,774
Non-instructional programs	309,415	96,998	142,067	138,771	161,802	177,698	245,163	220,954
AEA flowthrough	4,802,377	4,321,171	4,106,863	3,803,870	3,532,385	3,307,910	3,233,844	3,337,833
TIF property tax payment and street assessments to City	0	229	25,690	105,796	26,248	0	0	0
Interest on long-term debt	1,271,952	1,482,355	1,675,126	1,542,704	1,120,477	608,211	0	0
Bond costs	316,635	0	0	23,615	128,710	279,056	0	0
Other post-employment benefits	1,044,119	1,090,424	0	0	0	0	0	0
Depreciation (unallocated)	3,230,537	3,090,034	2,745,092	2,227,645	1,875,361	1,839,243	1,019,290	552,625
<b>Total governmental activities expenses</b>	<b>\$ 116,948,040</b>	<b>\$ 116,463,644</b>	<b>\$ 106,793,802</b>	<b>\$ 109,112,293</b>	<b>\$ 92,443,458</b>	<b>\$ 85,437,370</b>	<b>\$ 79,758,181</b>	<b>\$ 72,609,843</b>
Business-type activities:								
Nutrition services	\$ 4,562,590	\$ 4,336,522	\$ 4,159,239	\$ 3,949,212	\$ 3,957,058	\$ 3,720,132	\$ 3,383,859	\$ 3,158,267
<b>Total business-type activities expenses</b>	<b>\$ 4,562,590</b>	<b>\$ 4,336,522</b>	<b>\$ 4,159,239</b>	<b>\$ 3,949,212</b>	<b>\$ 3,957,058</b>	<b>\$ 3,720,132</b>	<b>\$ 3,383,859</b>	<b>\$ 3,158,267</b>
<b>Total primary government expenses</b>	<b>\$ 121,510,630</b>	<b>\$ 120,800,166</b>	<b>\$ 110,953,041</b>	<b>\$ 113,061,505</b>	<b>\$ 96,400,516</b>	<b>\$ 89,157,502</b>	<b>\$ 83,142,040</b>	<b>\$ 75,768,110</b>

(Continued on the following page.)

**Dubuque Community School District**  
**Expenses, Program Revenues, and Net (Expense) Revenue**  
**Last Eight Fiscal Years \***

(accrual basis of accounting) (Unaudited)	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
<b>Program revenues:</b>								
Governmental activities:								
Charges for services:								
Instruction	\$ 4,343,293	\$ 4,139,082	\$ 4,181,758	\$ 4,234,503	\$ 3,897,690	\$ 3,737,360	\$ 3,311,107	\$ 3,610,460
Support services	34,133	29,432	26,076	27,342	28,613	34,366	30,411	29,636
Operating grants and contributions	25,152,465	21,261,442	15,582,180	12,145,764	11,319,335	9,686,214	8,891,172	9,143,091
Capital grants and contributions	88,137	0	5,850	50,750	325,600	358,598	919,717	393,958
<b>Total governmental activities program revenues</b>	\$ 29,618,028	\$ 25,429,956	\$ 19,795,864	\$ 16,458,359	\$ 15,571,238	\$ 13,816,538	\$ 13,152,407	\$ 13,177,145
Business-type activities:								
Charges for services:								
Nutrition services	\$ 2,520,337	\$ 2,484,568	\$ 2,369,246	\$ 2,425,845	\$ 2,404,627	\$ 2,036,599	\$ 1,922,552	\$ 1,825,395
Operating grants and contributions	2,365,458	1,992,219	1,823,216	1,793,501	1,675,198	1,605,625	1,488,839	1,356,224
<b>Total business-type program revenues</b>	\$ 4,885,795	\$ 4,476,787	\$ 4,192,462	\$ 4,219,346	\$ 4,079,825	\$ 3,642,224	\$ 3,411,391	\$ 3,181,619
<b>Total primary government program revenues</b>	\$ 34,503,823	\$ 29,906,743	\$ 23,988,326	\$ 20,677,705	\$ 19,651,063	\$ 17,458,762	\$ 16,563,798	\$ 16,358,764
<b>Net (expense) revenue:</b>								
Governmental activities	\$(87,330,012)	\$(91,033,688)	\$(86,997,938)	\$(92,653,934)	\$(76,872,220)	\$(71,620,832)	\$(66,605,774)	\$(59,432,698)
Business-type activities	323,205	140,265	33,223	270,134	122,767	(77,908)	27,532	23,352
<b>Total primary government net expense</b>	<b>\$(87,006,807)</b>	<b>\$(90,893,423)</b>	<b>\$(86,964,715)</b>	<b>\$(92,383,800)</b>	<b>\$(76,749,453)</b>	<b>\$(71,698,740)</b>	<b>\$(66,578,242)</b>	<b>\$(59,409,346)</b>

**Source:** District Financial Records

\* **Note:** The District began to report accrual information when it implemented GASB 34 in the 2002-2003 fiscal year.

**Dubuque Community School District**  
**General Revenues and Total Change in Net Assets**  
**Last Eight Fiscal Years \***

(accrual basis of accounting) (Unaudited)	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Net (expenses) revenue:								
Governmental activities	\$ (87,330,012)	\$ (91,033,688)	\$ (86,997,938)	\$ (92,653,934)	\$ (76,872,220)	\$ (71,620,832)	\$ (66,605,774)	\$ (59,432,698)
Business-type activities	323,205	140,265	33,223	270,134	122,767	(77,908)	27,532	23,352
<b>Total primary government net expense</b>	<b>\$ (87,006,807)</b>	<b>\$ (90,893,423)</b>	<b>\$ (86,964,715)</b>	<b>\$ (92,383,800)</b>	<b>\$ (76,749,453)</b>	<b>\$ (71,698,740)</b>	<b>\$ (66,578,242)</b>	<b>\$ (59,409,346)</b>
General revenues and other changes in net assets:								
Governmental activities:								
Property tax levied for general purposes	\$ 42,170,729	\$ 40,684,264	\$ 36,598,441	\$ 34,446,462	\$ 31,504,694	\$ 28,605,783	\$ 25,066,047	\$ 24,682,939
Property tax levied for capital outlay	2,857,384	2,737,058	2,532,490	2,470,364	2,374,392	2,286,154	3,935,949	3,828,550
Local option sales tax	10,420,491	10,106,400	10,567,745	10,249,312	9,815,987	9,971,691	7,560,094	19,380
Unrestricted state grants	40,152,782	46,053,267	46,501,356	43,373,049	40,715,113	37,729,169	35,135,131	34,236,756
Investment earnings	747,429	682,349	774,912	1,013,746	793,031	472,063	180,465	270,357
Miscellaneous	854,031	543,975	959,573	539,087	792,744	574,375	870,586	934,457
Transfers	336,668	278,891	123,340	124,723	93,916	0	0	0
<b>Total governmental activities</b>	<b>\$ 97,539,514</b>	<b>\$ 101,086,204</b>	<b>\$ 98,057,857</b>	<b>\$ 92,216,743</b>	<b>\$ 86,089,877</b>	<b>\$ 79,639,235</b>	<b>\$ 72,748,272</b>	<b>\$ 63,972,439</b>
Business-type activities:								
Investment earnings	\$ 23,113	\$ 23,313	\$ 44,086	\$ 36,098	\$ 19,665	\$ 12,335	\$ 10,029	\$ 13,403
Transfers	(336,668)	(278,891)	(126,341)	(124,723)	(93,916)	0	0	0
<b>Total business-type activities</b>	<b>\$ (313,555)</b>	<b>\$ (255,578)</b>	<b>\$ (82,255)</b>	<b>\$ (88,625)</b>	<b>\$ (74,251)</b>	<b>\$ 12,335</b>	<b>\$ 10,029</b>	<b>\$ 13,403</b>
Change in net assets:								
Governmental activities	\$ 10,209,502	\$ 10,052,516	\$ 11,059,919	\$ (437,191)	\$ 9,217,657	\$ 8,018,403	\$ 6,142,498	\$ 4,539,741
Business-type activities	9,650	(115,313)	(49,032)	181,509	48,516	(65,573)	37,561	36,755
<b>Total primary government</b>	<b>\$ 10,219,152</b>	<b>\$ 9,937,203</b>	<b>\$ 11,010,887</b>	<b>\$ (255,682)</b>	<b>\$ 9,266,173</b>	<b>\$ 7,952,830</b>	<b>\$ 6,180,059</b>	<b>\$ 4,576,496</b>

**Source:** District Financial Records

\* **Note:** The District began to report accrual information when it implemented GASB 34 in the 2002-2003 fiscal year.

**Dubuque Community School District**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**

(modified accrual basis of accounting)  
(Unaudited)

	<b>Fiscal Year</b>			
	2010	2009	2008	2007
General Fund:				
Reserved	\$ 1,343,743	\$ 1,541,028	\$ 1,283,675	\$ 738,613
Unreserved	7,449,116	4,393,552	(573,069)	21,603
<b>Total General Fund</b>	<b>\$ 8,792,859</b>	<b>\$ 5,934,580</b>	<b>\$ 710,606</b>	<b>\$ 760,216</b>
All other governmental funds:				
Reserved	\$ 8,600,545	\$ 6,947,435	\$ 7,017,199	\$ 5,339,534
Unreserved, reported in				
Capital projects fund	4,427,498	3,271,080	4,039,660	5,258,518
Debt service fund	72,864	115,299	124,370	46,382
Special revenue funds	3,506,028	2,259,376	1,903,504	1,220,135
<b>Total all other governmental funds</b>	<b>\$16,606,935</b>	<b>\$12,593,190</b>	<b>\$13,084,733</b>	<b>\$11,864,569</b>
<b>Total all governmental funds</b>	<b>\$25,399,794</b>	<b>\$18,527,770</b>	<b>\$13,795,339</b>	<b>\$12,624,785</b>

Source: *District Financial Records*

Table 4

**Dubuque Community School District**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
\$ 618,359	\$ 539,237	\$ 563,349	\$ 597,405	\$ 573,681	\$ 607,975
1,174,798	3,956,557	4,740,667	5,867,359	4,081,308	4,444,545
\$ 1,793,157	\$ 4,495,794	\$ 5,304,016	\$ 6,464,764	\$ 4,654,989	\$ 5,052,520
\$ 4,408,492	\$ 3,508,070	\$ 634,585	\$ 15,929	\$ 1,000,000	\$ 0
6,967,955	8,448,569	3,631,442	0	0	0
0	0	0	0	0	0
1,304,929	1,509,653	1,526,772	1,774,714	2,872,927	4,000,847
\$ 12,681,376	\$ 13,466,292	\$ 5,792,799	\$ 1,790,643	\$ 3,872,927	\$ 4,000,847
\$ 14,474,533	\$ 17,962,086	\$ 11,096,815	\$ 8,255,407	\$ 8,527,916	\$ 9,053,367

**Dubuque Community School District  
Governmental Funds Revenue  
Last Ten Years**

(modified accrual basis of accounting)  
(Unaudited)

	<b>Fiscal Year</b>			
	2010	2009	2008	2007
Local sources:				
Local tax	\$ 55,448,603	\$ 53,527,722	\$ 49,698,676	\$ 47,166,139
Tuition	2,229,601	2,054,271	1,974,497	1,970,036
Other	3,716,733	3,845,347	4,531,034	4,342,335
<b>Total local sources</b>	<b>\$ 61,394,937</b>	<b>\$ 59,427,340</b>	<b>\$ 56,204,207</b>	<b>\$ 53,478,510</b>
State sources:				
State sources	\$ 52,410,026	\$ 60,032,976	\$ 57,095,921	\$ 51,611,486
<b>Total state sources</b>	<b>\$ 52,410,026</b>	<b>\$ 60,032,976</b>	<b>\$ 57,095,921</b>	<b>\$ 51,611,486</b>
Federal sources:				
Federal sources	\$ 12,657,914	\$ 6,694,658	\$ 4,296,825	\$ 3,460,383
<b>Total federal sources</b>	<b>\$ 12,657,914</b>	<b>\$ 6,694,658</b>	<b>\$ 4,296,825</b>	<b>\$ 3,460,383</b>
<b>Total governmental funds revenue</b>	<b>\$126,462,877</b>	<b>\$126,154,974</b>	<b>\$117,596,953</b>	<b>\$108,550,379</b>

Source: District Financial Records

Table 5

**Dubuque Community School District**  
**Governmental Funds Revenue**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
\$ 43,695,073	\$40,863,628	\$36,562,089	\$28,511,489	\$26,263,207	\$22,827,624
1,591,829	1,522,456	1,236,803	1,430,405	1,459,144	1,275,735
4,853,070	3,776,111	3,267,111	3,584,566	3,263,275	3,872,223
\$ 50,139,972	\$46,162,195	\$41,066,003	\$33,526,460	\$30,985,626	\$27,975,582
\$ 47,796,591	\$44,019,322	\$41,348,965	\$40,931,161	\$40,822,487	\$39,550,245
\$ 47,796,591	\$44,019,322	\$41,348,965	\$40,931,161	\$40,822,487	\$39,550,245
\$ 3,630,635	\$ 3,035,986	\$ 3,274,481	\$ 2,674,714	\$ 2,044,411	\$ 2,544,275
\$ 3,630,635	\$ 3,035,986	\$ 3,274,481	\$ 2,674,714	\$ 2,044,411	\$ 2,544,275
\$101,567,198	\$93,217,503	\$85,689,449	\$77,132,335	\$73,852,524	\$70,070,102

Table 6

**Dubuque Community School District**  
**Revenue by Source – General Fund**  
**Last Ten Fiscal Years**

	<b>Fiscal Year</b>				
	2010	2009	2008	2007	2006
Local sources					
Taxes	\$ 39,500,291	\$ 38,480,604	\$ 34,543,982	\$32,342,730	\$29,605,400
Tuition	2,229,601	2,054,271	1,974,497	1,970,036	1,591,829
Transportation	34,133	29,432	26,076	27,342	28,613
Interest	306,352	210,070	185,034	323,806	359,018
Student activities	279,663	257,654	240,278	242,785	337,557
Other local revenues	958,946	1,176,120	1,433,500	1,036,089	1,270,377
<b>Subtotal local revenue</b>	<b>\$ 43,308,986</b>	<b>\$ 42,208,151</b>	<b>\$ 38,403,367</b>	<b>\$35,942,788</b>	<b>\$33,192,794</b>
State sources					
State foundation aid	\$ 37,662,216	\$ 45,392,552	\$ 45,809,960	\$42,708,273	\$40,133,528
Instructional support	-	174,406	182,466	183,625	185,665
AEA flowthrough	4,802,377	4,321,171	4,106,863	3,803,870	3,532,385
Other State revenue	9,941,876	10,141,446	6,993,167	4,912,063	3,941,314
<b>Subtotal state revenue</b>	<b>\$ 52,406,469</b>	<b>\$ 60,029,575</b>	<b>\$ 57,092,456</b>	<b>\$51,607,831</b>	<b>\$47,792,892</b>
Federal sources					
Title I	\$ 1,685,273	\$ 1,665,591	\$ 1,630,564	\$ 1,347,870	\$ 1,187,939
Other Federal revenue	10,884,504	5,029,067	2,666,262	2,112,513	2,442,696
<b>Subtotal federal revenue</b>	<b>\$ 12,569,777</b>	<b>\$ 6,694,658</b>	<b>\$ 4,296,826</b>	<b>\$ 3,460,383</b>	<b>\$ 3,630,635</b>
Other sources	\$ 406,526	\$ 407,252	\$ 238,586	\$ 199,506	\$ 125,987
<b>Total revenue</b>	<b>\$108,691,758</b>	<b>\$109,339,636</b>	<b>\$100,031,235</b>	<b>\$91,210,508</b>	<b>\$84,742,308</b>

Source: District Financial Records

Table 6

**Dubuque Community School District**  
**Revenue by Source – General Fund**  
**Last Ten Fiscal Years**

2005	2004	2003	2002	2001
\$26,909,744	\$25,028,794	\$24,533,781	\$23,157,761	\$20,310,704
1,522,456	1,236,802	1,430,406	1,459,144	1,275,736
34,366	30,411	29,636	36,812	34,793
179,315	144,928	236,972	346,007	808,496
311,667	313,304	318,861	334,159	328,060
1,199,592	1,023,635	1,186,424	1,005,603	874,233
<u>\$30,157,140</u>	<u>\$27,777,874</u>	<u>\$27,736,080</u>	<u>\$26,339,486</u>	<u>\$23,632,022</u>
\$37,225,810	\$34,862,444	\$34,147,120	\$32,655,486	\$32,945,100
180,835	191,977	192,829	212,780	-
3,307,910	3,233,844	3,337,833	3,301,539	3,352,085
3,300,989	3,037,374	3,191,982	3,608,858	3,176,769
<u>\$44,015,544</u>	<u>\$41,325,639</u>	<u>\$40,869,764</u>	<u>\$39,778,663</u>	<u>\$39,473,954</u>
\$ 1,182,778	\$ 1,158,797	\$ 1,189,294	\$ 834,797	\$ 971,648
1,853,208	1,605,901	1,485,420	1,191,666	1,225,666
<u>\$ 3,035,986</u>	<u>\$ 2,764,698</u>	<u>\$ 2,674,714</u>	<u>\$ 2,026,463</u>	<u>\$ 2,197,314</u>
\$ 15,182	\$ 13,944	\$ 13,307	\$ 16,903	\$ 23,184
<u>\$77,223,852</u>	<u>\$71,882,155</u>	<u>\$71,293,865</u>	<u>\$68,161,515</u>	<u>\$65,326,474</u>

Table 7

**Dubuque Community School District**  
**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Years**

(modified accrual basis of accounting)  
(Unaudited)

	<b>Fiscal Year</b>			
	2010	2009	2008	2007
Instruction	\$ 74,290,782	\$ 73,729,323	\$ 68,869,827	\$ 63,243,308
Student services	5,053,316	5,093,057	4,893,096	4,422,022
Instructional staff services	3,422,804	3,552,175	3,755,466	3,615,550
Administration services	10,602,780	10,349,190	10,428,962	10,120,152
Operation and maintenance of plant services	8,554,178	8,958,199	9,118,255	8,564,905
Transportation services	3,465,091	3,019,418	3,145,333	3,729,525
Non-instructional services	306,817	93,675	143,549	133,012
Facilities acquisition	3,547,438	3,718,729	6,024,792	18,839,199
Debt service:				
Principal	33,299,833	7,466,208	4,496,208	1,036,209
Interest	1,007,098	1,482,355	1,675,126	1,542,704
AEA flowthrough	4,802,377	4,321,171	4,106,863	3,803,870
Other	316,635	229	25,690	105,796
<b>Total expenditures</b>	<b>\$148,669,149</b>	<b>\$121,783,729</b>	<b>\$116,683,167</b>	<b>\$119,156,252</b>
Debt service as a percentage of noncapital expenditures	23.6%	7.58%	5.58%	2.57%

**Source:** District Financial Records

**Notes:** The District refinanced all of its bonds payable in fiscal year 2010. Details of the District's outstanding debt can be found in Note 6 in the Notes to the Financial Statements.

Table 7

**Dubuque Community School District**  
**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
\$ 59,013,311	\$ 54,217,044	\$49,558,669	\$46,218,275	\$45,904,747	\$41,616,565
4,285,632	3,944,056	3,753,351	5,737,780	3,193,569	2,902,050
4,135,111	3,960,303	3,579,280	3,372,238	3,728,985	3,596,061
9,499,497	8,165,361	7,615,556	5,014,081	7,162,474	6,651,711
8,312,753	6,382,867	6,237,741	6,214,273	5,874,324	5,763,114
3,364,702	3,108,408	3,006,514	2,832,057	2,680,612	2,556,339
166,235	183,046	236,125	221,806	173,418	184,937
21,353,125	29,054,751	7,451,272	4,473,750	2,375,210	1,910,804
101,208	7,000,000	-	-	-	500,000
1,236,956	491,732	-	-	-	10,500
3,532,385	3,307,910	3,233,844	3,337,833	3,301,539	3,352,085
26,248	-	-	-	-	-
\$115,027,163	\$119,815,478	\$84,672,352	\$77,422,093	\$74,394,878	\$69,044,166
1.43%	8.25%	0.00%	0.00%	0.00%	0.76%

Table 8

**Dubuque Community School District**  
**Expenses by Function - General Fund**  
**Last Ten Years**

(modified basis of accounting)  
(Unaudited)

	Fiscal Year			
	2010	2009	2008	2007
Instruction:				
Regular	\$ 39,316,368	\$ 40,417,644	\$ 38,358,714	\$35,059,099
Special	22,216,791	22,579,460	19,516,753	17,742,545
Other	9,951,775	7,303,035	8,210,378	7,396,413
Total Instruction	<u>\$ 71,484,934</u>	<u>\$ 70,300,139</u>	<u>\$ 66,085,845</u>	<u>\$60,198,057</u>
Student Support Services:				
Attendance and social work	\$ 242,555	\$ 216,417	\$ 213,433	\$ 183,463
Guidance services	2,506,763	2,628,026	2,583,096	2,414,892
Health and psychological services	2,003,904	1,952,039	1,802,329	1,549,048
Speech, pathology, & audiology	253,437	248,044	252,735	199,376
Total Student Support Services	<u>\$ 5,006,659</u>	<u>\$ 5,044,526</u>	<u>\$ 4,851,593</u>	<u>\$ 4,346,779</u>
Staff Instruction Services:				
Improvement of instruction	\$ 1,312,805	\$ 1,502,253	\$ 1,743,510	\$ 1,617,242
Library media	2,026,201	1,961,782	1,936,232	1,940,853
Instruction-related technology	3,381	5,285	349	3,693
Total Staff Instruction Services	<u>\$ 3,342,387</u>	<u>\$ 3,469,320</u>	<u>\$ 3,680,091</u>	<u>\$ 3,561,788</u>
General Administration Services:				
Board of education	\$ 111,715	\$ 152,068	\$ 116,152	\$ 113,031
Executive administration	1,110,061	1,039,931	929,460	865,829
Special area administration	466,575	395,637	342,743	321,244
Total General Administration Services	<u>\$ 1,688,351</u>	<u>\$ 1,587,636</u>	<u>\$ 1,388,355</u>	<u>\$ 1,300,104</u>
School Administration Services	\$ 5,507,383	\$ 5,529,464	\$ 5,600,024	\$ 5,296,832
Business & Central Services:				
Business administration fiscal	\$ 1,110,037	\$ 1,091,848	\$ 1,187,387	\$ 1,140,121
Printing, publishing, & duplicating	297,494	306,609	415,914	432,423
Public information	107,253	107,409	151,130	125,116
Personnel	201,459	188,015	189,884	179,552
Administrative technology	1,203,563	1,159,867	1,109,396	1,177,286
Total Business & Central Services	<u>\$ 2,919,806</u>	<u>\$ 2,853,748</u>	<u>\$ 3,053,711</u>	<u>\$ 3,054,498</u>
Operation and Maintenance of Plant	\$ 8,018,101	\$ 8,243,558	\$ 8,322,151	\$ 7,899,172
Student Transportation	\$ 2,811,825	\$ 2,741,183	\$ 2,897,710	\$ 2,707,252
Central Support	\$ -	\$ -	\$ -	\$ -
Community Service Operations	\$ 247,508	\$ 15,269	\$ 88,352	\$ 74,089
Funds Transfer	\$ 4,148	\$ 9,648	\$ 6,150	\$ 1,008
AEA Flowthrough	\$ 4,802,377	\$ 4,321,171	\$ 4,106,863	\$ 3,803,870
<b>Total expenditures</b>	<u><u>\$105,833,479</u></u>	<u><u>\$104,115,662</u></u>	<u><u>\$100,080,845</u></u>	<u><u>\$92,243,449</u></u>
Percentage Increase	1.65%	4.03%	8.50%	5.49%

Source: District Financial Records

Table 8

**Dubuque Community School District**  
**Expenses by Function – General Fund**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
\$33,274,986	\$29,148,693	\$27,474,796	\$26,043,830	\$25,787,127	\$23,480,552
16,891,696	18,062,783	16,329,878	15,219,787	14,912,559	13,487,030
6,345,494	3,115,198	3,110,542	2,816,168	2,998,675	2,743,341
\$56,512,176	\$50,326,674	\$46,915,216	\$44,079,785	\$43,698,361	\$39,710,923
\$ 147,791	\$ 150,878	\$ 148,893	\$ 70,266	\$ 70,670	\$ 69,498
2,374,275	2,225,657	2,117,862	2,026,659	1,924,608	1,711,613
1,494,243	1,318,042	1,258,221	1,162,398	1,086,895	1,042,950
225,371	225,793	207,690	68,941	77,328	66,403
\$ 4,241,680	\$ 3,920,370	\$ 3,732,666	\$ 3,328,264	\$ 3,159,501	\$ 2,890,464
\$ 1,280,695	\$ 2,306,189	\$ 2,004,643	\$ 1,971,054	\$ 2,283,693	\$ 2,204,122
1,886,064	1,595,313	1,548,446	1,510,533	1,436,415	1,385,789
494,209	-	-	-	-	-
\$ 3,660,968	\$ 3,901,502	\$ 3,553,089	\$ 3,481,587	\$ 3,720,108	\$ 3,589,911
\$ 101,427	\$ 87,987	\$ 100,820	\$ 188,082	\$ 99,710	\$ 120,310
824,070	528,747	491,586	322,636	343,308	338,286
353,238	-	-	-	-	-
\$ 1,278,735	\$ 616,734	\$ 592,406	\$ 510,718	\$ 443,018	\$ 458,596
\$ 4,894,650	\$ 4,457,028	\$ 4,131,948	\$ 3,985,560	\$ 3,876,320	\$ 3,716,136
\$ 1,058,216	\$ 751,017	\$ 732,334	\$ 854,761	\$ 864,461	\$ 921,662
401,308	399,017	398,632	363,370	446,935	291,506
130,467	7,016	-	-	-	-
174,671	266,792	-	-	-	-
1,119,177	991,319	-	-	-	-
\$ 2,883,839	\$ 2,415,161	\$ 1,130,966	\$ 1,218,131	\$ 1,311,396	\$ 1,213,168
\$ 7,496,659	\$ 6,348,564	\$ 6,096,635	\$ 6,025,692	\$ 5,728,098	\$ 5,607,797
\$ 2,842,768	\$ 2,557,825	\$ 2,444,137	\$ 2,316,008	\$ 2,225,809	\$ 2,106,277
\$ -	\$ -	\$ 1,033,807	\$ 1,024,415	\$ 950,096	\$ 787,060
\$ 101,085	\$ 180,307	\$ 178,189	\$ 176,097	\$ 144,800	\$ 160,515
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 510,500
\$ 3,532,385	\$ 3,307,910	\$ 3,233,844	\$ 3,337,833	\$ 3,301,539	\$ 3,352,085
\$87,444,945	\$78,032,075	\$73,042,903	\$69,484,090	\$68,559,046	\$64,103,432
12.06%	6.83%	5.12%	1.35%	6.95%	3.33%

**Dubuque Community School District**  
**Other Financing Sources and Uses and Net Change in Fund Balances**  
**Governmental Funds**  
**Last Ten Years**

(modified accrual basis of accounting)  
(Unaudited)

	<b>Fiscal Year</b>			
	2010	2009	2008	2007
Excess of revenues over (under) expenditures	\$(22,206,272)	\$4,371,245	\$ 913,786	\$(10,605,873)
Other financing sources (uses):				
Sales of property and equipment	\$ 23,631	\$ 82,295	\$ 133,428	\$ 65,016
Operating transfers in	12,321,591	8,936,054	7,776,538	3,405,251
Operating transfers out	(11,984,923)	(8,657,163)	(7,653,198)	(3,280,527)
Revenue bonds net proceeds	28,717,997	-	-	8,566,385
<b>Total other financing sources (uses)</b>	<b>\$ 29,078,296</b>	<b>\$ 361,186</b>	<b>\$ 256,768</b>	<b>\$ 8,756,125</b>
<b>Net change in fund balance</b>	<b>\$ 6,872,024</b>	<b>\$4,732,431</b>	<b>\$ 1,170,554</b>	<b>\$ (1,849,748)</b>

Source: District Financial Records

Table 9

**Dubuque Community School District**  
**Other Financing Sources and Uses and Net Change in Fund Balances**  
**Governmental Funds**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
\$(13,459,965)	\$(26,597,975)	\$1,017,097	\$(289,758)	\$(542,354)	\$1,025,936
\$ 7,206	\$ 253,452	\$ 503,494	\$ 17,249	\$ 16,903	\$ 25,401
4,878,923	7,608,211	1,721	-	-	-
(4,785,007)	(7,608,211)	(1,721)	-	-	-
9,871,290	33,209,794	1,320,817	-	-	-
\$ 9,972,412	\$ 33,463,246	\$1,824,311	\$ 17,249	\$ 16,903	\$ 25,401
\$ (3,487,553)	\$ 6,865,271	\$2,841,408	\$(272,509)	\$(525,451)	\$1,051,337

**Dubuque Community School District**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Tax Levy Year	Fiscal Year	Actual Value					Less Exemptions	Total Taxable Value	Total Direct Rate (*)
		Residential Property	Commercial Property	Other Property	Total Property	Total Taxable Value			
2008	2010	\$3,400,988,084	\$1,066,381,565	\$466,520,254	\$4,933,889,903	\$1,931,149,023	\$3,002,740,880	\$16.88349	
2007	2009	\$3,270,589,555	\$ 955,990,303	\$372,478,777	\$4,599,058,635	\$1,865,471,659	\$2,733,586,976	\$16.88112	
2006	2008	\$2,853,522,831	\$ 900,890,827	\$365,894,560	\$4,120,308,218	\$1,592,339,503	\$2,527,968,715	\$16.40925	
2005	2007	\$2,754,856,383	\$ 871,632,936	\$365,846,895	\$3,992,336,214	\$1,524,149,772	\$2,468,186,442	\$15.92538	
2004	2006	\$2,673,314,363	\$ 767,458,864	\$354,344,941	\$3,795,118,168	\$1,418,056,181	\$2,377,061,987	\$15.09695	
2003	2005	\$2,470,390,147	\$ 783,228,104	\$339,583,016	\$3,593,201,267	\$1,296,814,972	\$2,296,386,295	\$14.27491	
2002	2004	\$2,230,692,140	\$ 710,753,453	\$343,572,752	\$3,285,018,345	\$1,084,415,705	\$2,200,602,640	\$13.84768	
2001	2003	\$2,180,792,369	\$ 693,090,950	\$345,132,187	\$3,219,015,506	\$1,069,582,424	\$2,149,433,082	\$13.73882	
2000	2002	\$1,939,923,934	\$ 580,466,507	\$328,328,336	\$2,848,718,777	\$ 848,483,193	\$2,000,235,584	\$13.50444	
1999	2001	\$1,896,076,756	\$ 548,471,436	\$325,328,781	\$2,769,876,973	\$ 855,300,924	\$1,914,576,049	\$12.17096	

**Sources:** *Dubuque County Auditor's Office and Jackson County Auditor's Office*

**Notes:** Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year.

\* Per \$ 1,000 of taxable value.

**Dubuque Community School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

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

Levy Year	Fiscal Year Ended June 30,	District Direct Rates				Total	County	Community College	Overlapping Rates		
		General Purposes	Capital Purposes	Management Purposes	Board of Education and Independents				Dubuque	City of	City of
2008	2010	\$14.87364	\$1.00000	\$1.00554	\$16.87918	\$6.40435	\$0.99471	\$0.62393	\$ 9.85777	\$10.29738	
2007	2009	\$15.02092	\$1.00000	\$0.86020	\$16.88112	\$6.40844	\$0.55714	\$0.72556	\$ 9.96904	\$10.30313	
2006	2008	\$14.54425	\$1.00000	\$0.86500	\$16.40925	\$6.42691	\$0.61270	\$0.78578	\$10.31690	\$10.30080	
2005	2007	\$14.01385	\$1.00000	\$0.91153	\$15.92538	\$6.17924	\$0.61127	\$0.60802	\$ 9.98033	\$10.22827	
2004	2006	\$13.24710	\$1.00000	\$0.84985	\$15.09695	\$6.08416	\$0.60517	\$0.60226	\$ 9.69910	\$10.29980	
2003	2005	\$12.48784	\$1.00000	\$0.78707	\$14.27491	\$6.08923	\$0.59804	\$0.57269	\$10.07200	\$10.30000	
2002	2004	\$11.99116	\$1.00000	\$0.85652	\$13.84768	\$5.59515	\$0.57791	\$0.61686	\$10.27303	\$ 8.94787	
2001	2003	\$11.85631	\$0.99996	\$0.88255	\$13.73882	\$5.60064	\$0.57507	\$0.55492	\$10.21200	\$ 8.86017	
2000	2002	\$11.93556	\$1.00000	\$0.56388	\$13.50444	\$5.73669	\$0.57072	\$0.54806	\$10.76080	\$ 8.77298	
1999	2001	\$10.84947	\$1.00000	\$0.32149	\$12.17096	\$5.60750	\$0.56995	\$0.50467	\$11.06712	\$ 8.48685	

**Sources:** Dubuque County Auditor and Iowa Department of Management

**Dubuque Community School District**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Current Year and Nine Years Ago  
(Amounts expressed in thousands)  
(Unaudited)

Taxpayer	2010 (1)			2001 (2)		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Peninsula Gaming Company LLC	\$ 59,599	1	1.98%			
Deere & Co.	\$ 36,189	2	1.21%			
Kennedy Mall	\$ 26,372	3	0.88%	\$ 19,990	1	0.95%
ITC Midwest LLC	\$ 23,684	4	0.79%			
Otto A LLC	\$ 17,500	5	0.58%			
Nordstrom, Inc.	\$ 16,884	6	0.56%	\$ 14,193	3	0.67%
McGraw Hill	\$ 14,440	7	0.48%	\$ 7,685	6	0.36%
Medical Associates Realty	\$ 13,517	8	0.45%	\$ 17,646	2	0.84%
Walter Development	\$ 12,188	9	0.41%			
Platinum Holdings	\$ 11,179	10	0.37%			
US West Communications				\$ 8,476	4	0.40%
A.Y. McDonald Manufacturing Co.				\$ 7,490	7	0.35%
Plaza 20 Inc.				\$ 7,861	5	0.37%
American Trust & Savings Bank				\$ 7,378	8	0.35%
Plastic Center, Inc.				\$ 6,927	9	0.33%
Color-Box, LLC				\$ 6,378	10	0.30%
Total	<u>\$231,552</u>		<u>7.71%</u>	<u>\$104,024</u>		<u>4.92%</u>

**Sources:** *Dubuque County Auditor's Office and City of Dubuque's Comprehensive Annual Financial Report*  
*Dubuque County Auditor's Office (1) and City of Dubuque CAFR (2)*

Table 13

**Dubuque Community School District  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

(Unaudited)

Collection Fiscal Year Ending	Levy Fiscal Year Ending	Total Tax Levy	Collected in Fiscal Year		Collections of Delinquent Taxes	Total Collections to Date	
			Amount	Percentage of Levy		Total Amount Collected	Percentage of Levy
2009-2010	2008	\$45,105,254	\$44,925,064	99.60%	\$ 1,136	\$44,926,200	99.60%
2008-2009	2007	\$43,350,451	\$43,301,067	99.89%	\$16,821	\$43,317,888	99.92%
2007-2008	2006	\$39,047,138	\$39,015,256	99.92%	\$13,800	\$39,029,056	99.95%
2006-2007	2005	\$36,853,657	\$36,798,981	99.85%	\$15,095	\$36,814,076	99.89%
2005-2006	2004	\$33,893,459	\$33,763,573	99.62%	\$13,287	\$33,776,860	99.66%
2004-2005	2003	\$30,969,167	\$30,753,842	99.30%	\$36,461	\$30,790,303	99.42%
2003-2004	2002	\$29,200,482	\$28,875,568	98.89%	\$23,687	\$28,899,255	98.97%
2002-2003	2001	\$28,130,699	\$28,384,749	100.90%	\$22,782	\$28,407,531	100.98%
2001-2002	2000	\$26,179,173	\$26,148,896	99.88%	\$ 2,874	\$26,151,770	99.90%
2000-2001	1999	\$22,763,321	\$22,703,120	99.74%	\$ 4,686	\$22,707,806	99.76%

Sources: *Dubuque County Auditor's Office and District Records*

**Dubuque Community School District**  
**Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-type Activities			Percentage of Personal Income (a)	Per Capita (a)
	ISCAP Warrants Payable	Notes Payable	General Obligation Bonds	Sales Tax Revenue Bonds	Total Primary Government	Income (a)	Capita (a)		
2010	\$ 0	\$ 0	\$ 0	\$ 28,360,000	\$ 0	\$ 28,360,000	0.8684%	\$ 306	
2009	\$ 5,000,000	\$ 0	\$ 0	\$ 33,299,833	\$ 0	\$ 38,299,833	1.2385%	\$ 414	
2008	\$ 5,000,000	\$ 0	\$ 0	\$ 40,766,042	\$ 0	\$ 45,766,042	1.5653%	\$ 500	
2007	\$ 1,185,000	\$ 0	\$ 0	\$ 45,262,250	\$ 0	\$ 46,447,250	1.6750%	\$ 510	
2006	\$ 0	\$ 0	\$ 0	\$ 37,708,458	\$ 0	\$ 37,708,458	1.4202%	\$ 416	
2005	\$ 0	\$ 0	\$ 0	\$ 27,809,667	\$ 0	\$ 27,809,667	1.1160%	\$ 308	
2004	\$ 0	\$ 0	\$ 0	\$ 1,320,817	\$ 0	\$ 1,320,817	0.0545%	\$ 15	
2003	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000,000	0.0853%	\$ 22	
2002	\$ 5,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000,000	0.2180%	\$ 56	
2001	\$ 5,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000,000	0.2301%	\$ 56	

**Source:** *District Financial Records*

Details of the District's outstanding debt can be found in Note 7 in the Notes to the Financial Statements.

(a) See Table 18 for personal income and population data. These ratios are calculated using that data.

**Dubuque Community School District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2010**

(Unaudited)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (a)</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
City of Asbury	\$ 9,488,000	100.00%	\$ 9,488,000
City of Dubuque	87,573,367	100.00%	87,573,367
Dubuque County	480,000	77.38%	371,424
Northeast Iowa Community College	<u>60,519,905</u>	77.46%	<u>46,878,718</u>
<b>Subtotal, overlapping debt</b>			\$144,311,509
District direct debt			<u>28,360,000</u>
<b>Total direct and overlapping debt</b>			<u>\$172,671,509</u>

**Sources:** *City of Asbury, City of Dubuque, County Auditor, and Northeast Iowa Community College*

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

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

**Dubuque Community School District**  
**Legal Debt Margin Information**  
**Last Ten Years**

(Unaudited)

	<b>Fiscal Year</b>			
	2010	2009	2008	2007
Debt Limit	\$143,129,676	\$136,679,349	\$126,398,436	\$123,409,322
Gross debt applicable to limit	\$ 28,360,000	\$ 33,299,833	\$ 40,766,042	\$ 45,262,250
Reserves for payments on debt	(7,875,854)	(6,209,000)	(6,209,000)	(4,559,000)
Total net debt applicable to limit	<u>\$ 20,484,146</u>	<u>\$ 27,090,833</u>	<u>\$ 34,557,042</u>	<u>\$ 40,703,250</u>
Legal debt margin	<u>\$122,645,530</u>	<u>\$109,588,516</u>	<u>\$ 91,841,394</u>	<u>\$ 82,706,072</u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	14.3%	19.8%	27.3%	33.0%

**Sources:** District Financial Records and Dubuque County Auditor

**Notes:**

(a) Actual taxable value includes Tax Increment Financing

(b) Code of Iowa Section 296.1

Legal Debt Margin Calculation for Fiscal Year 2010

Actual taxable value (a)	\$2,862,593,523
Debt limit (5% of assessed value) (b)	\$ 143,129,676
Debt applicable to limit	<u>(20,484,146)</u>
Legal debt margin	<u>\$ 122,645,530</u>

**Dubuque Community School District**  
**Legal Debt Margin Information**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
\$118,853,099	\$114,819,315	\$110,030,132	\$107,471,654	\$100,011,779	\$95,728,802
\$ 37,708,458	\$ 27,809,667	\$ 1,320,817	\$ 0	\$ 0	\$ 0
(3,700,000)	(2,700,000)	0	0	0	0
\$ 34,008,458	\$ 25,109,667	\$ 1,320,817	\$ 0	\$ 0	\$ 0
\$ 84,844,641	\$ 89,709,648	\$108,709,315	\$107,471,654	\$100,011,779	\$95,728,802
28.6%	21.9%	1.2%	0.0%	0.0%	0.0%

Dubuque Community School District  
 Pledged - Revenue Coverage  
 Last Ten Fiscal Years

Fiscal Year	Actual Sales Tax Revenue	Debt Service			Coverage	Estimated Debt Service and Coverage on the Bonds (without Revenue Growth)			Estimated Debt Service and Coverage on the Bonds (with Revenue Growth)		
		Principal	Interest			Estimated Collection	Debt Service Combined P & I	Estimated Coverage	Estimated Collection	Debt Service Combined P & I	Estimated Coverage
2000	\$ 0	\$ 0	\$ 0		N/A	\$ 10,591,662	\$ 7,872,763	1.345	\$ 10,644,564	\$ 7,872,763	1.352
2001	\$ 0	\$ 0	\$ 0		N/A	\$ 10,579,127	\$ 7,817,750	1.353	\$ 10,811,738	\$ 7,817,750	1.383
2002	\$ 0	\$ 0	\$ 0		N/A	\$ 10,579,737	\$ 7,835,500	1.350	\$ 10,972,623	\$ 7,835,500	1.400
2003	\$ 19,380	\$ 0	\$ 0		N/A	\$ 8,603,547	\$ 1,010,000	8.518	\$ 9,526,761	\$ 1,010,000	9.432
2004	\$ 7,560,094	\$ 0	\$ 0		N/A	\$ 8,085,699			\$ 9,427,636		
2005	\$ 9,971,691	\$ 0	\$ 461,880		21.59	\$ 8,085,802			\$ 9,667,726		
2006	\$ 9,815,987	\$ 101,208	\$ 1,236,956		7.34	\$ 8,085,802			\$ 9,875,444		
2007	\$ 10,249,312	\$ 1,036,208	\$ 1,542,704		3.97	\$ 8,085,802			\$ 10,085,301		
2008	\$ 10,567,745	\$ 4,496,208	\$ 1,675,126		1.71	\$ 8,085,802			\$ 10,297,209		
2009	\$ 10,106,400	\$ 7,466,208	\$ 1,479,355		1.13	\$ 8,085,802			\$ 10,511,071		
2010	\$ 10,420,491	\$ 3,206,208	\$ 1,007,098		2.47	\$ 8,085,802			\$ 10,726,784		
2011						\$ 8,085,802			\$ 10,944,237		
2012						\$ 8,085,802			\$ 11,163,310		
2013						\$ 8,085,802			\$ 11,383,875		
2014						\$ 8,085,802			\$ 11,605,797		
2015						\$ 8,085,802			\$ 11,828,931		
2016						\$ 8,085,802			\$ 12,053,123		
2017						\$ 8,085,802			\$ 12,278,210		
2018						\$ 8,085,802			\$ 12,504,019		
2019						\$ 8,085,802			\$ 8,634,061		
2020											
2021											
2022											
2023											
2024											
2025											
2026											
2027											
2028											
2029											
2030											

Sources: School District Financial Records for actual data and Piper Jaffray & Co. for estimates of future sales tax collections.

Note: The revenue growth assumes a 2% increase with no changes to enrollment.

**Dubuque Community School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

(Unaudited)

Calendar Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rate (2)	Certified Enrollment (3)
2010	92,589	\$3,265,881,000	\$35,273	N/A	10,697.2
2009	92,296	\$3,092,423,000	\$33,505	6.1%	10,614.2
2008	91,486	\$2,923,799,000	\$31,959	4.3%	10,727.6
2007	91,032	\$2,773,002,000	\$30,462	4.0%	10,733.6
2006	90,681	\$2,655,174,000	\$29,280	3.8%	10,547.4
2005	90,154	\$2,491,982,000	\$27,641	4.4%	10,423.5
2004	89,231	\$2,421,441,000	\$27,137	4.5%	10,121.1
2003	89,002	\$2,345,539,000	\$26,354	4.2%	9,922.3
2002	89,235	\$2,293,137,000	\$25,698	4.0%	9,678.8
2001	88,934	\$2,173,097,000	\$24,435	4.1%	9,696.7

**Sources:**

- (1) Bureau of Economic Analysis - Note that the information for Dubuque schools is not available. Information is based on the Dubuque Metropolitan Areas
- (2) Iowa Department of Employment Services
- (3) District Certified Enrollment Records

N/A - The information for the period is not available at report date

Table 19

Dubuque Community School District  
Principal Employers  
Current Year and Year 2002

(Unaudited)

Taxpayer	2010 (1)			2002 (2)		
	# of Employees	Rank	Percentage of Total Employment	# of Employees	Rank	Percentage of Total Employment
John Deere	1,800	1	3.59%	1,800	1	3.35%
Dubuque Community Schools	1,627	2	3.24%	1,410	2	2.85%
Mercy Medical Center	1,324	3	2.64%	1,340	3	2.49%
IBM, Corp.	1,300	4	2.59%	760		
Finley Hospital	920	5	1.83%	700	6	1.41%
Eagle Window & Door	750	6	1.49%	1,007	7	1.30%
Medical Associates Clinic, P.C.	743	7	1.48%	519	5	1.87%
City of Dubuque	604	8	1.20%	625	10	0.97%
Prudential Retirement (3)	550	9	1.10%		8	1.16%
Holy Family Catholic Schools	500	10	1.00%			
Dubuque Racing Association	500	10	1.00%			
McCoy Group (4)				1,200	4	2.23%
Diamond Jo Casino				620	9	1.15%
Total	10,618			9,981		

**Sources:**

(1) Greater Dubuque Development Corp.

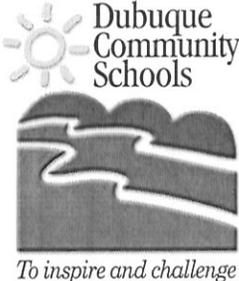
(2) Information provided from the City of Dubuque Comprehensive Annual Financial Report

(3) Was formerly CIGNA Retirement

(4) McCoy Group included all employees, not just Dubuque's location

2002 is the closest year to 2001 with employment information available.

This page intentionally left blank



**Dubuque Community School District**  
**Full-time Equivalent District Employees by Type**  
**Last Ten Years**

(Unaudited)	Fiscal Year			
	2010	2009	2008	2007
<b>Supervisory:</b>				
Superintendent	1.00	1.00	1.00	1.00
Associate superintendent	1.00	1.00	1.00	1.00
Principals	19.50	19.50	19.50	19.00
Assistant principals	11.00	14.00	14.00	15.00
All other administrators	10.50	11.50	13.25	13.75
<b>Total supervisory</b>	<b>43.00</b>	<b>47.00</b>	<b>48.75</b>	<b>49.75</b>
<b>Instruction:</b>				
Teachers - regular program	638.87	639.09	675.16	654.68
Teachers - special education program	171.96	174.36	170.00	161.50
Paraeducators - regular program	53.82	54.38	56.51	56.66
Paraeducators - special education program	260.71	270.88	231.90	226.66
<b>Total instruction</b>	<b>1,125.36</b>	<b>1,138.71</b>	<b>1,133.57</b>	<b>1,099.50</b>
<b>Student services:</b>				
Guidance counselors	30.00	31.00	34.00	33.00
Nurses	21.40	21.40	21.40	19.40
Media specialists	21.20	21.20	21.19	20.69
Other student services staff	9.00	9.00	10.00	10.00
<b>Total student services</b>	<b>81.60</b>	<b>82.60</b>	<b>86.59</b>	<b>83.09</b>
<b>Support and administration:</b>				
Clerical/secretarial	79.88	85.57	85.44	86.44
Custodial, maintenance, and mechanics	111.00	112.00	118.00	114.00
Food service	78.25	78.58	77.51	75.32
Bus drivers, attendants and truckers	60.37	62.70	62.27	59.71
Other support services staff	12.50	11.00	11.00	11.00
<b>Total support and administration</b>	<b>342.00</b>	<b>349.85</b>	<b>354.22</b>	<b>346.47</b>
<b>District Totals</b>	<b>1,591.96</b>	<b>1,618.16</b>	<b>1,623.13</b>	<b>1,578.81</b>

Source: District Payroll Records

Table 20

**Dubuque Community School District**  
**Full-time Equivalent District Employees by Type**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	0.00	0.00
19.00	19.00	18.00	18.00	18.00	18.00
13.00	10.00	10.00	11.00	11.00	11.00
15.00	15.00	14.00	9.00	12.00	12.50
49.00	46.00	44.00	40.00	42.00	42.50
636.07	585.21	566.10	541.35	541.29	516.00
156.80	147.41	143.50	139.50	147.00	146.37
53.91	49.90	43.78	43.17	41.05	39.20
215.66	199.62	175.13	172.69	164.21	156.81
1,062.44	982.14	928.51	896.71	893.55	858.38
33.00	32.00	31.00	29.91	30.00	29.00
19.40	18.20	18.20	17.20	17.20	16.40
20.00	19.20	19.41	19.51	18.59	19.70
9.28	12.16	10.16	9.28	9.52	7.52
81.68	81.56	78.77	75.90	75.31	72.62
83.88	77.88	75.88	73.13	72.13	74.60
114.00	103.00	100.00	102.00	102.00	102.00
74.46	67.43	65.30	64.77	63.35	62.81
60.47	56.46	55.65	54.42	55.67	58.54
11.00	11.00	11.00	12.00	13.00	10.00
343.81	315.77	307.83	306.32	306.15	307.95
1,536.93	1,425.47	1,359.11	1,318.93	1,317.01	1,281.45

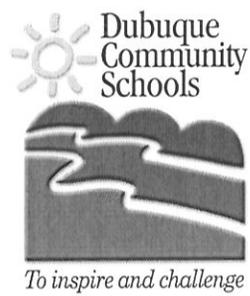
Table 21

**Dubuque Community School District**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Enrollment	General Fund Expenditures	Cost Per Pupil	Percentage Change	Total Governmental		Cost Per Pupil	Percentage Change	FTE Teaching Staff	Pupil-Teacher Ratio	% of Students Receiving Free or Reduced-Priced Meals
					Activities Expenses	Expenditures					
2010	10,697	\$105,833,479	\$9,894	0.87%	\$116,948,040	\$10,933	(0.36%)	810.83	13.19	37.80%	
2009	10,614	\$104,115,662	\$9,809	5.15%	\$116,463,644	\$10,973	10.23%	813.45	13.05	36.30%	
2008	10,728	\$100,080,845	\$9,329	8.56%	\$106,793,802	\$ 9,955	(2.07%)	845.16	12.69	34.70%	
2007	10,734	\$ 92,243,449	\$8,593	3.65%	\$109,112,293	\$10,165	15.97%	816.18	13.15	34.80%	
2006	10,547	\$ 87,444,945	\$8,291	10.76%	\$ 92,443,458	\$ 8,765	6.94%	792.87	13.30	34.00%	
2005	10,424	\$ 78,032,075	\$7,486	3.73%	\$ 85,437,370	\$ 8,196	4.01%	732.62	14.23	34.80%	
2004	10,121	\$ 73,042,903	\$7,217	3.05%	\$ 79,758,181	\$ 7,880	7.68%	709.60	14.26	29.80%	
2003	9,922	\$ 69,484,090	\$7,003	(1.13%)	\$ 72,609,843	\$ 7,318		680.85	14.57	30.29%	
2002	9,679	\$ 68,559,046	\$7,083	7.15%				688.29	14.06	29.09%	
2001	9,697	\$ 64,103,432	\$6,611	3.73%				662.37	14.64	24.30%	

**Source:** District Financial Records, District Payroll Records, and the Iowa Department of Education

This page intentionally left blank



**Dubuque Community School District**  
**School Building Information**  
**Last Ten Years**

(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year			
	2010	2009	2008	2007
<b>Preschool:</b>				
Jones Hand-in-Hand (1963)				
Square feet	26,427	26,427	26,427	26,427
Capacity	68	184	184	184
Enrollment	61	71	155	164
<b>Elementary:</b>				
Audubon (1973)				
Square feet	37,992	37,992	37,992	37,992
Capacity	336	390	390	390
Enrollment	309	284	292	344
Bryant (1940)				
Square feet	30,724	30,724	30,724	30,724
Capacity	263	390	390	390
Enrollment	315	321	330	317
Carver (2007)				
Square feet	66,202	66,202	66,202	N/A
Capacity	524	624	624	N/A
Enrollment	497	435	416	N/A
Eisenhower (1970)				
Square feet	63,455	63,455	63,455	63,455
Capacity	460	624	624	624
Enrollment	557	547	527	581
Fulton (1939)				
Square feet	35,098	35,098	35,098	35,098
Capacity	264	312	312	312
Enrollment	271	215	252	265
Hoover (1970)				
Square feet	28,663	28,663	28,663	28,663
Capacity	231	312	312	312
Enrollment	278	281	283	336

**Source:** District Records

**Notes:** During the 2009-10 school year, an extensive facilities study was completed by architects and all building capacities were adjusted.

Jones Hand-in-Hand began as a preschool during the 2005-2006 school year. Previously, it was a junior high school.

Table 22

**Dubuque Community School District**  
**School Building Information**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
26,427	26,427	26,427	26,427	26,427	26,427
184	400	400	400	400	400
126	350	277	293	277	325
37,992	37,992	37,992	37,992	37,992	37,992
390	390	390	390	390	390
337	370	368	389	359	371
30,724	30,724	30,724	30,724	30,724	29,804
390	390	390	390	390	390
309	339	318	315	312	307
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
63,455	63,455	63,455	61,663	61,663	61,663
624	624	624	624	624	624
589	644	599	613	614	604
35,098	35,098	35,098	35,098	35,098	35,098
312	312	312	312	312	312
195	298	307	318	316	315
28,663	28,663	28,663	28,663	28,663	28,663
312	312	312	312	312	312
318	353	334	328	298	296

**Dubuque Community School District**  
**School Building Information**  
**Last Ten Years**

(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year			
	2010	2009	2008	2007
<b>Elementary:</b>				
Irving (1951)				
Square feet	79,064	79,064	59,755	47,655
Capacity	492	624	624	624
Enrollment	494	477	492	519
Kennedy (1965)				
Square feet	52,953	52,953	52,953	52,953
Capacity	491	624	624	624
Enrollment	508	491	481	662
Lincoln (1940)				
Square feet	37,692	37,692	37,692	37,692
Capacity	296	390	390	390
Enrollment	374	336	320	333
Marshall (1939)				
Square feet	33,956	33,956	33,956	33,956
Capacity	248	312	312	312
Enrollment	263	267	253	282
Prescott (Demolished and Rebuilt 2006)				
Square feet	65,836	65,836	65,836	65,836
Capacity	375	312	312	312
Enrollment	266	265	272	246
Sageville (1956)				
Square feet	41,612	41,612	41,612	41,612
Capacity	299	390	390	390
Enrollment	281	313	320	327
Table Mound (1960)				
Square feet	51,758	51,758	51,758	51,758
Capacity	370	546	546	546
Enrollment	435	449	464	400

Table 22

**Dubuque Community School District**  
**School Building Information**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
47,655	47,655	47,655	45,863	45,863	45,863
624	624	624	624	624	624
535	604	613	571	540	538
52,953	52,953	51,161	48,736	48,736	48,736
624	624	624	624	624	624
613	644	608	571	528	494
37,692	37,692	37,692	37,692	37,692	37,692
390	390	390	390	390	390
300	438	372	373	385	381
33,956	33,956	33,956	33,956	33,956	33,956
312	312	312	312	312	312
286	362	347	339	343	321
30,547	30,547	30,547	30,547	30,547	30,547
312	312	312	312	312	312
273	277	268	222	230	264
41,612	41,612	41,612	41,612	41,612	41,612
390	390	390	390	390	390
302	354	357	347	357	342
51,758	51,758	51,758	51,758	35,458	35,458
546	546	546	546	546	546
397	437	426	398	379	402

**Dubuque Community School District**  
**School Building Information**  
**Last Ten Years**

(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year			
	2010	2009	2008	2007
<b>Middle Schools:</b>				
Jefferson (1922)				
Square feet	89,948	89,948	89,948	89,948
Capacity	620	775	775	775
Enrollment	600	616	607	654
Roosevelt (2005)				
Square feet	206,000	206,000	206,000	206,000
Capacity	1,050	1,400	1,400	1,400
Enrollment	1,104	1,113	1,163	1,146
Washington (1920)				
Square feet	92,830	92,830	92,830	92,830
Capacity	657	775	775	775
Enrollment	642	639	692	682
<b>High Schools:</b>				
Central Alternative (1906)				
Square feet	24,202	24,202	24,202	24,202
Capacity	190	180	180	180
Enrollment	134	119	140	146
Hempstead (1970)				
Square feet	261,268	261,268	261,268	258,988
Capacity	1,657	1,920	1,920	1,920
Enrollment	1,727	1,823	1,829	1,797
Senior (1920)				
Square feet	286,611	286,611	286,611	286,611
Capacity	1,657	1,920	1,920	1,920
Enrollment	1,516	1,468	1,459	1,563

**Note:** Previous to the 2005-2006 school year, Washington and Jefferson Middle Schools were Junior High Schools

Table 22

**Dubuque Community School District**  
**School Building Information**  
**Last Ten Years**

2006	2005	2004	2003	2002	2001
89,948	89,948	89,948	89,948	89,948	89,948
775	775	775	775	775	775
720	781	742	785	775	772
206,000	N/A	N/A	N/A	N/A	N/A
1,400	N/A	N/A	N/A	N/A	N/A
1,107	N/A	N/A	N/A	N/A	N/A
92,830	92,830	92,830	92,830	92,830	92,830
775	775	775	775	775	775
724	835	813	751	713	693
24,202	24,202	24,202	24,202	24,202	24,202
180	180	180	180	180	180
164	171	170	165	170	176
256,112	242,962	242,962	242,962	242,962	242,962
1,920	1,920	1,920	1,920	1,920	1,920
1,718	1,666	1,586	1,559	1,510	1,608
286,611	286,611	286,611	286,611	286,611	286,611
1,920	1,920	1,920	1,920	1,920	1,920
1,583	1,620	1,548	1,516	1,488	1,516

**Dubuque Community School District**  
**School Building Information**  
**Last Ten Years**

(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year			
	2010	2009	2008	2007
<b>Other District Facilities:</b>				
Forum (1979)				
Square feet	24,959	24,959	24,959	24,959
Warehouse/Central Kitchen (1981)				
Square feet	33,000	30,000	30,000	30,000
Bus Garage (1985)				
Square feet	11,020	11,020	11,020	11,020
Buildings and Grounds (1985)				
Square feet	13,680	13,680	13,680	13,680
Buildings and Grounds Warehouse (1985)				
Square feet	5,000	5,000	5,000	5,000

Table 22

**Dubuque Community School District  
School Building Information  
Last Ten Years**

2006	2005	2004	2003	2002	2001
24,959	24,959	24,959	24,959	24,959	24,959
30,000	30,000	30,000	30,000	30,000	30,000
11,020	11,020	11,020	11,020	11,020	11,020
13,680	13,680	13,680	13,680	13,680	13,680
5,000	5,000	5,000	5,000	5,000	5,000

**Dubuque Community School District  
Certified Staff Salaries  
Last Ten Fiscal Years**

(Unaudited)

School Year	Minimum	Maximum	Average
2009 - 2010	\$27,695	\$60,097	\$44,127
2008 - 2009	\$28,095	\$60,815	\$44,648
2007 - 2008	\$27,505	\$59,532	\$43,028
2006 - 2007	\$26,578	\$57,530	\$41,594
2005 -2006	\$25,880	\$56,000	\$40,942
2004 - 2005	\$25,160	\$54,440	\$40,118
2003 - 2004	\$24,740	\$53,228	\$39,900
2002 - 2003	\$24,277	\$52,168	\$39,337
2001 -2002	\$23,966	\$51,487	\$39,391
2000 - 2001	\$23,410	\$50,293	\$38,710

**Source:** *District Payroll Records*

**Note:** Average salary includes supplemental Phase payments in all years prior to 2009-10. The Iowa legislature eliminated funding for the Phase program going forward. Salaries do not include Teacher Salary Supplement for any year.

# **COMPLIANCE SECTION**

Dubuque Community School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2010

Grantor/Program	CFDA Number	Grant Number	Expenditures
Direct:			
U.S. Department of Education:			
Fund for the Improvement of Education	84.215	FY10	\$ <u>164,597</u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY10	\$ 252,079
National School Lunch Program	10.555	FY10	\$ <u>2,043,205</u> *
			\$ <u>2,295,284</u>
Team Nutrition Grant	10.574	FY10	\$ 4,284
ARRA – School Lunch Equipment Grants Stabilization, Recovery Act	10.579	FY10	\$ <u>22,910</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Part A Clusters:			
Title I Grants to LEA	84.010	FY10	\$ 1,685,273
ARRA – Title I Grants to Local Education Agencies, Recovery Act	84.389	FY10	\$ <u>329,952</u>
			\$ <u>2,015,225</u>
Vocational Education – Basic Grants to States	84.048	FY10	\$ <u>112,290</u>
Special Education – Preschool Grants	84.173	FY10	\$ <u>22,600</u>
Safe and Drug-free Schools and Communities – State Grants	84.186	FY10	\$ <u>38,006</u>
Education for Homeless Children and Youth	84.196	FY10	\$ <u>25,621</u>
Fund for the Improvement of Education	84.215	FY10	\$ <u>88,137</u>
Advanced Placement Program	84.330	FY10	\$ <u>4,928</u>
Improving Teacher Quality Grants	84.367	FY10	\$ <u>447,209</u>
Grants for State Assessments and Related Activities	84.369	FY10	\$ <u>68,250</u>
ARRA – Education of Homeless Children and Youth, Recovery Act	84.387	FY10	\$ <u>21,464</u>
ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act	84.394	FY10	\$ <u>5,025,734</u>
Keystone Area Education Agency:			
Special Education Cluster Programs:			
Special Education – Grants to States	84.027	FY10	\$ 686,329
ARRA – Special Education – Grants to States, Recovery Act	84.391	FY10	\$ <u>891,336</u>
			\$ <u>1,577,665</u>
English Language Acquisition Grants	84.365	FY10	\$ <u>14,626</u>
School Administrators of Iowa:			
Parental Assistance Centers	84.310	FY10	\$ <u>5,000</u>
U.S. Department of Health and Human Services:			
Dubuque County Health Department:			
Public Health Emergency Preparedness	93.069	FY10	\$ <u>9,173</u>
Total			\$ <u>11,963,003</u>

\* Includes \$335,414 of non-cash awards

**Basis of Presentation** – The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Dubuque Community School District and 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 basic financial statements.

See Notes to Schedule of Expenditures of Federal Awards

**Dubuque Community School District**

**Notes to Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2010**

**Note 1: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Dubuque Community School District for the year ended June 30, 2010. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the schedule. The information in 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 basic financial statements.

**Note 2: Significant Accounting Policies**

Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Dubuque Community School District  
 Summary Schedule of Prior Audit Findings  
 Year Ended June 30, 2010

<u>Findings</u>	<u>Status</u>	<u>Corrective Action Plan or Other Explanation</u>
<b>Reportable Conditions in Internal Control</b>		
None		
<b>Reportable Conditions in Administering Federal Awards</b>		
None		
<b>Other Findings Related to Required Statutory Reporting</b>		
IV-L-09	Corrected	It is recommended the District implement procedures over special projects compensation to prevent the possibility of the payment of duplicate compensation from occurring.
IV-K-08	Corrected	It is recommended the Internal Control Policies and Procedures Report should be submitted to the full Board for formal approval.

*Jim Kircher & Associates, P.C.*  
*Certified Public Accountants*

*815 Century Drive*  
*Dubuque, Iowa 52002*

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Education of  
Dubuque Community School District:

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 Dubuque Community School District as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated January 10, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Dubuque Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dubuque Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Dubuque Community School District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dubuque Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material

effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2010, 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, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Dubuque Community School District and other parties to whom Dubuque Community School District may report, including 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.

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

JIM KIRCHER & ASSOCIATES, P.C.



Dubuque, Iowa  
January 10, 2011

*Jim Kircher & Associates, P.C.*  
*Certified Public Accountants*

*815 Century Drive*  
*Dubuque, Iowa 52002*

Independent Auditors' Report on Compliance with Requirements  
that Could Have a Direct and Material Effect on Each Major  
Program and on Internal Control over Compliance in Accordance  
with OMB Circular A-133

To The Board of Education of  
Dubuque Community School District:

Compliance

We have audited Dubuque Community School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Dubuque Community School District's major federal programs for the year ended June 30, 2010. Dubuque 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 grants applicable to each of its major federal programs is the responsibility of Dubuque Community School District's management. Our responsibility is to express an opinion on Dubuque 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 Dubuque 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 of Dubuque Community School District's compliance with those requirements.

In our opinion, Dubuque Community School District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Dubuque 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 Dubuque Community School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dubuque Community School District's internal control over compliance.

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

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

Dubuque Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Dubuque Community School District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the officials, employees and citizens of Dubuque Community School District and other parties to whom Dubuque Community School District may report, including 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.

JIM KIRCHER & ASSOCIATES, P.C.



Dubuque, Iowa  
January 10, 2011

**Dubuque Community School District**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2010**

Part I: Summary of the Independent Auditors' Results

- (a) An unqualified opinion was issued on the financial statements.
- (b) No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No significant deficiencies in internal control over the 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 did not disclose any audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
  - 1) Title I, Part A Cluster
    - \* CFDA Number 84.010 - Title I Grants to Local Education Agencies
    - \* CFDA Number 84.389 - Title I Grants to Local Education Agencies - Recovery Act
  - 2) CFDA Number 84.394 - State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (Education Stabilization Fund)
  - 3) Special Education Cluster Programs:
    - \* CFDA Number 84.027 - Special Education - Grants to States (IDEA, Part B)
    - \* CFDA Number 84.391 - Special Education - Grants to States (IDEA, Part B) - Recovery Act
  - 4) CFDA Number 84.367 - Improving Teacher Quality Start Grants
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Dubuque Community School District did qualify as a low-risk auditee.

**Dubuque Community School District**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2010**

Part II: Findings Related to the Financial Statements:

**INTERNAL CONTROL DEFICIENCIES:**

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

**INSTANCES OF NONCOMPLIANCE:**

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

**INTERNAL CONTROL DEFICIENCIES:**

We did not identify any deficiencies in internal control over major programs that we consider to be material weaknesses.

**INSTANCES OF NONCOMPLIANCE:**

No matters were noted.

Part IV: Other Findings Related to Statutory Reporting:

IV-A-10      Certified Budget - Disbursements for the year ended June 30, 2010, exceeded the amended certified budget amounts in the non-instructional expenditures function.

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.

IV-B-10      Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-10      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.

**Dubuque Community School District**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2010**

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

- IV-D-10      Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-10      Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- IV-F-10      Board Minutes - We noted no transaction requiring Board approval which had not been approved by the Board.
- IV-G-10      Certified Enrollment - Three (3) variances in the basic enrollment data certified by the Department of Education were noted.
- Recommendation - A system should be developed to reconcile the enrollment data collected by the District before submission to the Department of Education.
- Response - We will attempt to develop such a system.
- IV-H-10      Supplementary Weighting - No variances regarding supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-10      Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- IV-J-10      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.
- IV-K-10      Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- IV-L-10      Statewide Sales and Services Tax - No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax. For the year ended June 30, 2010, the District's financial activity and other required information for the statewide sales and services tax are as follows:

**Dubuque Community School District**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2010**

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

Beginning balance		\$ 0
Statewide sales and services tax revenue		10,420,491
Expenditures/transfers out:		
School infrastructure:		
Buildings	\$2,001,893	
Equipment	15,615	
Debt service for school infrastructure:		
Revenue debt	<u>8,402,983</u>	<u>(10,420,491)</u>
Ending Balance		<u>\$ 0</u>