

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

For the Fiscal Year Ended June 30, 2011

OFFICIAL ISSUING REPORT
Kevin Kelleher
Executive Director of Finance and Business Services

OFFICE ISSUING REPORT
Business Office

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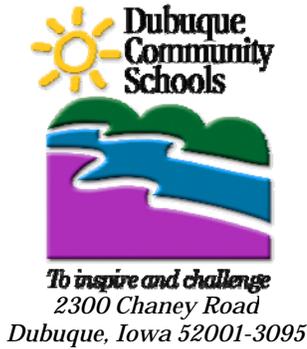
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INTRODUCTORY SECTION



Dr. Larie D. Godinez
Superintendent of Schools

Kevin Kelleher, SFO
*Executive Director of
Finance and Business Services*

Phone: 563/552-3038

Fax: 563/552-3026

January 9, 2012

Mr. Craig Beytien, 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, 2011. 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.

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 2010 (the official count date) was 10,517 students. This District is the seventh largest of Iowa’s 359 public school systems. The District operates two regular high schools, 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 219 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 2010-2011 was \$5,890. The allowable growth rate for FY 2011-12 has been set at 0%. During the previous fiscal year, 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 continue to operate in the most efficient manner during 2011-2012 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.

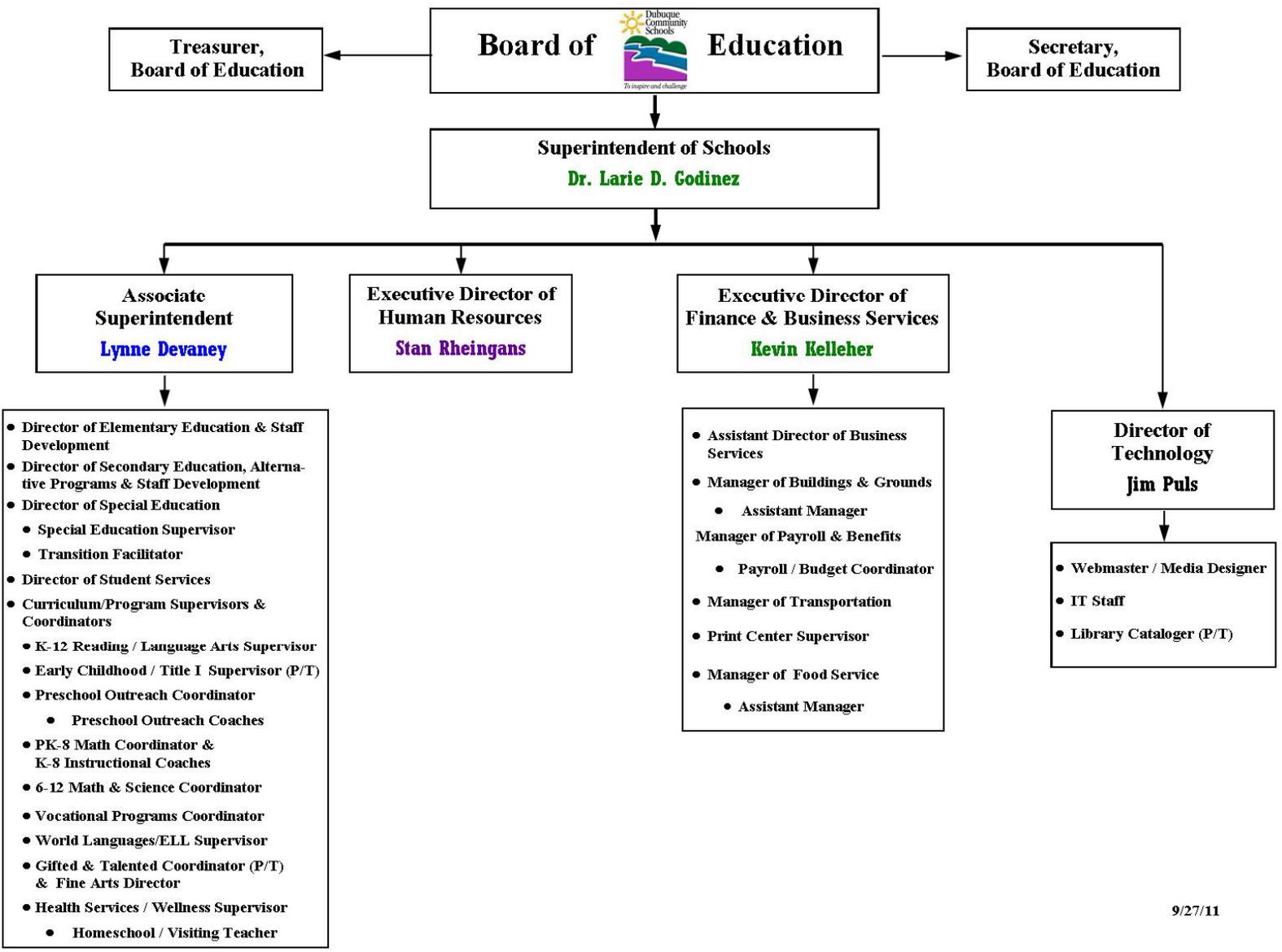
Very truly yours,



Kevin Kelleher
Executive Director of Finance and Business Services



Larie D. Godinez
Superintendent of Schools



Dubuque Community School District

Board of Education

Year Ended June 30, 2011

Mike Brannon	President	September 2011
Craig Beytien	Vice-President	September 2013
George Davis	Board Member	September 2013
Otto Krueger	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, 2011

Larie D. Godinez	Superintendent of Schools
Lynne Devaney	Associate Superintendent
Kevin Kelleher	Executive Director of Finance & Business 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

Rick Till	Assistant Director of Business Services
Joann Lueken	Manager of Payroll & Benefits
Jim Brimmer	Manager of Buildings & Grounds
Bill Burkhart	Assistant Manager of Buildings and Grounds
Kris Hall	Manager of Transportation
Brett Buse	Manager of Food Services

Dubuque Community School District

Consultants and Advisors

Year Ended June 30, 2011

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 8th 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, 2011

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 6th Avenue
Des Moines, IA 50309

Bankers Trust
453 7th 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, 2010

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, 2011, 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, 2011, 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 9, 2012, 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 the Schedule of Funding Progress for the Retiree Health Plan on pages 18 through 31 and 64 through 66 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, 2010, (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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

JIM KIRCHER & ASSOCIATES, P.C.



Dubuque, Iowa
January 9, 2012

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2011

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, 2011. Please read this information in conjunction with the District's financial statements, which immediately follow this section.

2011 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 0% for FY 2011-12, 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 2010 to 2011 was 50 students. 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 increased by \$6.7 million (6.1%) in FY 2010-11. Major components of this change include a \$4.0 million increase in state aid, a \$1.9 million increase from real estate taxes and a \$0.8 million increase in miscellaneous income.
- General fund expenses decreased by \$1.1 million (1.0%) in this fiscal year. This is mainly due to the \$5,000,000 budget reduction plan approved by the Board of Education in March of 2010. This plan was for the FY 2010-11 year and was approved to keep the District from incurring a negative unspent balance. The plan included reductions in budgets including a significant decrease in staffing levels but did not eliminate instructional programs. It was a very difficult decision but necessary for the financial welfare of the District.
- The excess of revenues over expenses resulted in a \$10.7 million increase in fund balance and a \$9.3 million increase in cash/investments. Unspent balance also increased by \$7.0 million.
- The District's total net assets increased by \$17.2 million (19.9%) this fiscal year primarily due to an increase in cash and a decrease in long-term debt. The increase in cash resulted primarily from 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, 2011, 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, 2011

2011 FINANCIAL HIGHLIGHTS, continued

- Unspent balance amounts continue to improve. However, with 0% allowable growth for FY 2011-12 and projected 2% for FY 2012-13 the unspent balance will decline rapidly. This 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) increased by \$0.8 million.
- 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 2010-11 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.
- The District had a very small special education surplus. This means special education revenue exceeded special education expenses. This is a significant change from the District's prior years' history of special education deficits. This was achieved as a result of a decrease in expenses generated by the budget reduction plan and \$505,654 of special education American Recovery and Reinvestment Act (ARRA) funds received in FY 2011-12 which were used to offset special education expenses.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2011

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.

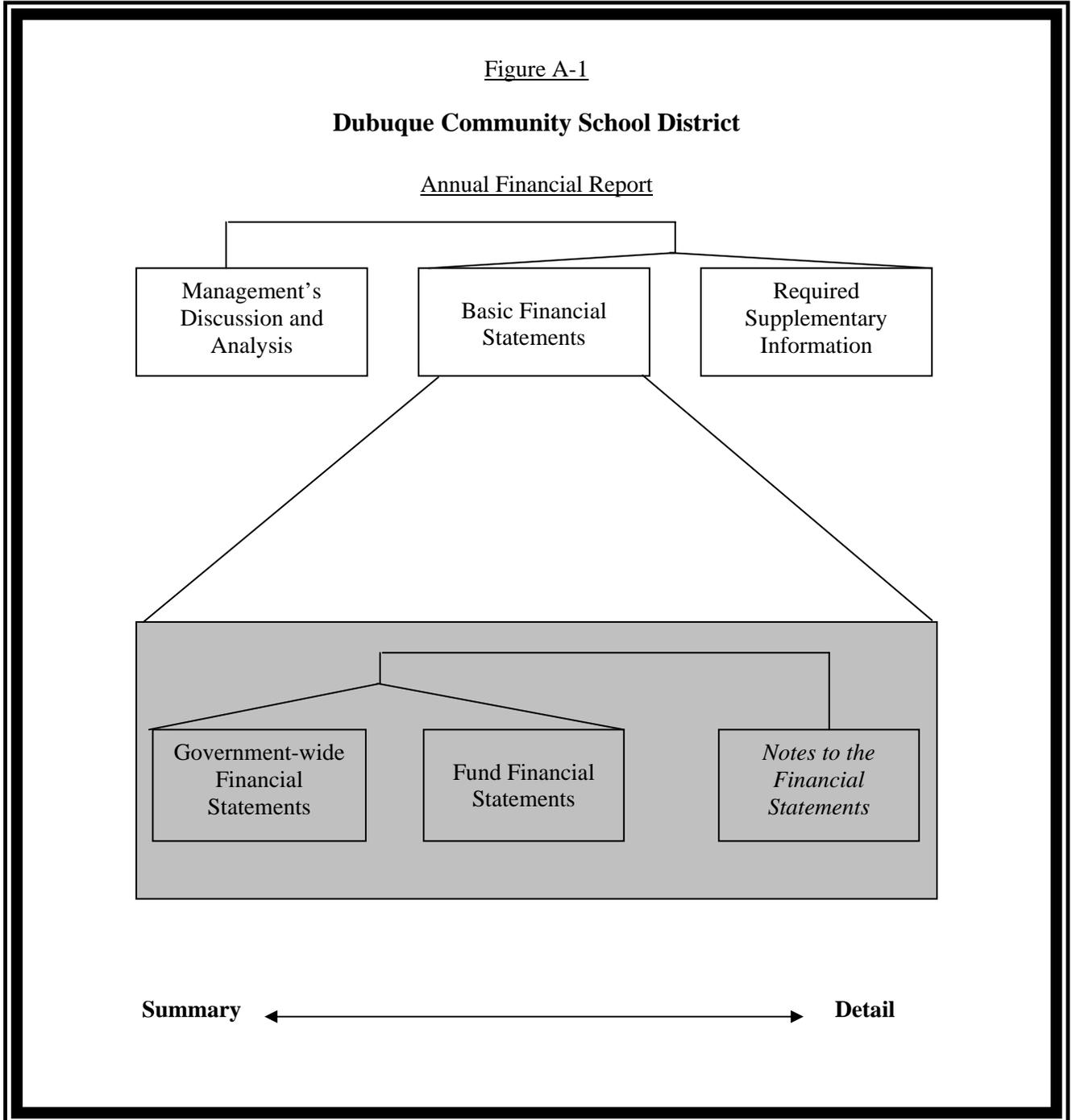
Other Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2011

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, 2011

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.

Figure A-2: Major Features of the Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance.	Activities the district operates similar to private businesses: food 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"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses, and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	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, 2011

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, 2011

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, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets at June 30, 2011, compared to June 30, 2010.

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

	Governmental Activities		Business-type Activities		Total District		Total Percentage Change 2010-11
	2010	2011	2010	2011	2010	2011	
Current and other assets	\$ 84,572,634	\$ 97,670,537	\$1,004,455	\$1,135,169	\$ 85,577,089	\$ 98,805,706	15.5%
Capital assets	92,789,213	92,296,181	399,217	311,734	93,188,430	92,607,915	(0.6%)
Total assets	\$177,361,847	\$189,966,718	\$1,403,672	\$1,446,903	\$178,765,519	\$191,413,621	7.1%
Current liabilities	\$ 68,622,368	\$ 69,761,033	\$ 73,729	\$ 75,772	\$ 68,696,097	\$ 69,836,805	1.7%
Long-term liabilities	21,784,543	15,965,267	69,365	125,342	21,853,908	16,090,609	(26.4%)
Total liabilities	\$ 90,406,911	\$ 85,726,300	\$ 143,094	\$ 201,114	\$ 90,550,005	\$ 85,927,414	(5.1%)
Net assets							
Invested in capital assets, net of related debt	\$ 64,429,213	\$ 72,646,181	\$ 399,217	\$ 311,734	\$ 64,828,430	\$ 72,957,915	12.5%
Restricted	17,404,114	18,245,575	0	0	17,404,114	18,245,575	4.8%
Unrestricted	5,121,609	13,348,662	861,361	934,055	5,982,970	14,282,717	138.7%
Total net assets	\$ 86,954,936	\$104,240,418	\$1,260,578	\$1,245,789	\$ 88,215,514	\$105,486,207	19.6%

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2011

Figure A-4 shows the change in net assets for the year ended June 30, 2011, compared to the year ended June 30, 2010.

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

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2010-11
	2010	2011	2010	2011	2010	2011	
Revenues							
Program revenues changes for services	\$ 4,377,426	\$ 4,517,007	\$2,520,337	\$2,505,477	\$ 6,897,763	\$ 7,022,484	1.8%
Operating grants & contributions	25,152,465	22,162,557	2,365,458	2,362,623	27,517,923	24,525,180	(10.9%)
Capital grants & contributions	88,137	61,864	0	0	88,137	61,864	(29.8%)
General revenues property taxes and other taxes	55,448,604	56,970,220	0	0	55,448,604	56,970,220	2.7%
State formula aid	41,148,533	48,675,662	0	0	41,148,533	48,675,662	18.3%
Other	942,377	342,994	23,113	13,222	965,490	356,216	(63.1%)
Total revenues	\$127,157,542	\$132,730,304	\$4,908,908	\$4,881,322	\$132,066,450	\$137,611,626	4.2%
Expenses							
Instruction	\$ 74,580,509	\$ 73,398,582	\$ 0	\$ 0	\$ 74,580,509	\$ 73,398,582	(1.6%)
Support services student and instructional services	8,507,306	8,498,372	0	0	8,507,306	8,498,372	(0.1%)
Administrative and business	10,704,315	12,704,945	0	0	10,704,315	12,704,945	18.7%
Maintenance and operations	8,658,932	8,123,156	0	0	8,658,932	8,123,156	(6.2%)
Transportation	3,521,943	3,511,033	0	0	3,521,943	3,511,033	(0.3%)
Non-instructional	309,415	157,526	4,562,590	4,609,057	4,872,005	4,766,583	(2.2%)
Other	10,665,620	9,051,208	336,668	287,054	11,002,288	9,338,262	(15.1%)
Total expenses	\$116,948,040	\$115,444,822	\$4,899,258	\$4,896,111	\$121,847,298	\$120,340,933	(1.2%)
Change in net assets	\$ 10,209,502	\$ 17,285,482	\$ 9,650	\$ (14,789)	\$ 10,219,152	\$ 17,270,693	69.0%
Beginning net assets	76,745,434	86,954,936	1,250,928	1,260,578	77,996,362	88,215,514	13.1%
Ending net assets	\$ 86,954,936	\$104,240,418	\$1,260,578	\$1,245,789	\$ 88,215,514	\$105,486,207	19.6%

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2011

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	Net Cost of Services		Percentage Change
	2010	2011	2010-11	2010	2011	2010-11
Instruction	\$ 74,580,509	\$ 73,398,582	(1.6%)	\$51,388,598	\$53,207,362	3.5%
Support services						
student and						
instructional						
services	8,507,306	8,498,372	(0.1%)	7,548,184	7,514,982	(0.4%)
Administrative						
and business	10,704,315	12,704,945	18.7%	10,701,802	12,704,945	18.7%
Maintenance and						
operations	8,658,932	8,123,156	(6.2%)	8,570,795	7,975,322	(6.9%)
Transportation	3,521,943	3,511,033	(0.3%)	3,069,765	3,068,566	(0.0%)
Non-instructional	309,415	157,526	(49.1%)	187,625	103,526	(44.8%)
Other	10,665,620	9,051,208	(15.1%)	5,863,243	4,128,691	(29.6%)
Total	\$116,948,040	\$115,444,822	(1.3%)	\$87,330,012	\$88,703,394	1.6%

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 decreased by \$(27,586) (0.1%) over the prior year. 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, 2011, total government fund balance was \$35,805,325.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2011

Governmental Fund Highlights

- The District's fund and cash/investment balances and unspent balance improved in the 2010-11 fiscal year. At June 30, 2011, unspent balance was \$11,877,628.
- Salaries and benefits comprise over 79.7% of the general fund expenditures. These expenditures decreased \$2,753,240 due primarily to the budget reduction plan. This plan was approved to avoid incurring a negative unspent balance.
- The physical plant and equipment levy (PPEL) fund balance remained relatively constant in FY 2010-11. 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 2011 primarily to reflect increased expenditures in its capital projects area for projects that were not originally budgeted 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 support services functional area due to the expenses being incurred after the latest permissible date for budget amendment.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2011

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the District had invested \$93 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 (0.6%) decrease over the prior year. More detailed information about the District's capital assets is presented in its Note 4 to the Financial Statements. Depreciation expense for the year was \$3,936,279.

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, 2011**

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2010-11
	2010	2011	2010	2011	2010	2011	
Land	\$ 7,269,312	\$ 7,252,362	\$ 0	\$ 0	\$ 7,269,312	\$ 7,252,362	(0.2%)
Construction in progress	4,526,116	5,153,174	0	0	4,526,116	5,153,174	13.9%
Buildings and improvements	72,064,626	71,329,701	0	0	72,064,626	71,329,701	(1.0%)
Land improvements	1,838,666	2,402,368	0	0	1,838,666	2,402,368	30.7%
Equipment	6,227,930	5,002,959	369,501	296,654	6,597,431	5,299,613	(19.7%)
Vehicles	862,563	1,155,617	29,716	15,080	892,279	1,170,697	31.2%
Total	\$92,789,213	\$92,296,181	\$399,217	\$311,734	\$93,188,430	\$92,607,915	(0.6%)

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, 2011

Long-term Debt

At June 30, 2011, the District had \$19,650,000 in revenue bond debt outstanding. This represents a decrease of approximately 30.7% 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 5 and 7 to the Financial Statements for additional information.

**Figure A-7
Outstanding Long-term Bond Obligations
June 30, 2011**

	<u>Total District</u>		<u>Total Change</u>
	<u>2011</u>	<u>2010</u>	<u>2010-11</u>
Revenue bonds	\$19,650,000	\$28,360,000	\$8,710,000

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* has greatly improved due mainly to the budget reduction plan. However, with 0% allowable growth for FY 2011-12 and projected 2% allowable growth for FY 2012-13, the District will need to monitor expenditures and how they affect future year's unspent balance. 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.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2011

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE, continued

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.

- 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. 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. The entire allocation was received in FY 2010-11. In FY 2010-11, \$981,000 was spent and the remaining dollars will be spent in FY 2011-12.
- Iowa school district funding faces many challenges in future years. Approximately \$56 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 2012-13 when compared to FY 2011-12 estimates. The state of the economy impacts Iowa general fund revenues. These revenues ultimately support state school aid. Based on current economic conditions, it is unlikely that state school aid will significantly increase.

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 Kevin Kelleher, 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, 2011

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 42,445,924	\$1,016,881	\$ 43,462,805
Receivables:			
Property tax:			
Delinquent	588,318	0	588,318
Succeeding year	48,140,424	0	48,140,424
Accounts	90,133	0	90,133
Interest:			
Other	120,967	0	120,967
Due from other governments	5,629,963	0	5,629,963
Inventories	644,808	118,288	763,096
Security deposit	10,000	0	10,000
Total current assets	<u>\$ 97,670,537</u>	<u>\$1,135,169</u>	<u>\$ 98,805,706</u>
Non-current assets:			
Capital assets not being depreciated	\$ 12,405,536	\$ 0	\$ 12,405,536
Capital assets net of accumulated depreciation/amortization	79,890,645	311,734	80,202,379
Total non-current assets	<u>\$ 92,296,181</u>	<u>\$ 311,734</u>	<u>\$ 92,607,915</u>
Total assets	<u>\$189,966,718</u>	<u>\$1,446,903</u>	<u>\$191,413,621</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 3,003,895	\$ 857	\$ 3,004,752
Salaries and benefits payable	8,862,355	3,713	8,866,068
Early retirement payable	447,543	0	447,543
Unearned revenue	49,541,418	71,202	49,612,620
Security Deposit Payable	10,000	0	10,000
Accrued interest payable	229,000	0	229,000
Compensated absences	466,822	0	466,822
Long-term debt due within one year	7,200,000	0	7,200,000
Total current liabilities	<u>\$ 69,761,033</u>	<u>\$ 75,772</u>	<u>\$ 69,836,805</u>
Long-term liabilities:			
Long-term debt due more than one year	\$ 12,450,000	\$ 0	\$ 12,450,000
Net OPEB liability	3,515,267	125,342	3,640,609
Total long-term liabilities	<u>\$ 15,965,267</u>	<u>\$ 125,342</u>	<u>\$ 16,090,609</u>
Total liabilities	<u>\$ 85,726,300</u>	<u>\$ 201,114</u>	<u>\$ 85,927,414</u>
Net assets:			
Invested in capital assets, net of related debt	\$ 72,646,181	\$ 311,734	\$ 72,957,915
Restricted for:			
Teacher salary supplement	245,715	0	245,715
Professional development	241,516	0	241,516
Market factor incentives	43,150	0	43,150
Four-year-old preschool state aid	981,731	0	981,731
Professional development for model core curriculum	364,265	0	364,265
Textbook aid for non-public students	14,991	0	14,991
Student activities	734,053	0	734,053
Management levy	1,867,904	0	1,867,904
Physical plant and equipment levy	1,969,632	0	1,969,632
Capital projects	6,078,291	0	6,078,291
Debt service	5,704,327	0	5,704,327
Unrestricted	13,348,662	934,055	14,282,717
Total net assets	<u>\$104,240,418</u>	<u>\$1,245,789</u>	<u>\$105,486,207</u>

See notes to financial statements.

Dubuque Community School District

Statement of Activities

Year Ended June 30, 2011

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contri- butions, and Restricted Interest	Capital Grants, Contri- butions, and Restricted Interest	Govern- mental Activities	Business- type Activities	Total
Governmental activities:							
Instruction:							
Regular instruction	\$ 39,615,870	\$ 675,591	\$ 7,225,826	\$ 0	\$ (31,714,453)	\$ 0	\$ (31,714,453)
Special instruction	21,692,987	1,861,641	8,015,005	0	(11,816,341)	0	(11,816,341)
Other instruction	12,089,725	1,944,676	468,481	0	(9,676,568)	0	(9,676,568)
	\$ 73,398,582	\$4,481,908	\$15,709,312	\$ 0	\$ (53,207,362)	\$ 0	\$ (53,207,362)
Support services:							
Student services	\$ 4,916,281	\$ 0	\$ 575,217	\$ 0	\$ (4,341,064)	\$ 0	\$ (4,341,064)
Instructional staff services	3,582,091	0	408,173	0	(3,173,918)	0	(3,173,918)
Administration services	12,704,945	0	0	0	(12,704,945)	0	(12,704,945)
Operation & maintenance of plant services	8,123,156	0	85,970	61,864	(7,975,322)	0	(7,975,322)
Transportation services	3,511,033	35,099	407,368	0	(3,068,566)	0	(3,068,566)
	\$ 32,837,506	\$ 35,099	\$ 1,476,728	\$61,864	\$ (31,263,815)	\$ 0	\$ (31,263,815)
Non-instructional programs	\$ 157,526	\$ 0	\$ 54,000	\$ 0	\$ (103,526)	\$ 0	\$ (103,526)
AEA flowthrough							
Interest and other charges	\$ 4,922,517	\$ 0	\$ 4,922,517	\$ 0	\$ 0	\$ 0	\$ 0
Other post-employment benefits	488,800	0	0	0	(488,800)	0	(488,800)
Depreciation and other expenses (unallocated)*	1,380,724	0	0	0	(1,380,724)	0	(1,380,724)
	2,259,167	0	0	0	(2,259,167)	0	(2,259,167)
	\$ 9,051,208	\$ 0	\$ 4,922,517	\$ 0	\$ (4,128,691)	\$ 0	\$ (4,128,691)
Total governmental activities	\$115,444,822	\$4,517,007	\$22,162,557	\$61,864	\$ (88,703,394)	\$ 0	\$ (88,703,394)
Business-type activities:							
Non-instructional programs:							
Nutrition services	\$ 4,609,057	\$2,505,477	\$ 2,362,623	\$ 0	\$ 0	\$ 259,043	\$ 259,043
Total	\$120,053,879	\$7,022,484	\$24,525,180	\$61,864	\$ (88,703,394)	\$ 259,043	\$ (88,444,351)
General Revenues:							
Property tax levied for:							
General purposes					\$ 43,385,106	\$ 0	\$ 43,385,106
Capital outlay					3,006,514	0	3,006,514
Local option sales tax					10,578,600	0	10,578,600
Unrestricted state grants					47,873,056	0	47,873,056
Unrestricted investment earnings					539,547	13,222	552,769
Miscellaneous					318,999	0	318,999
Transfers					287,054	(287,054)	0
Total general revenues					\$105,988,876	\$ (273,832)	\$105,715,044
Change in net assets					\$ 17,285,482	\$ (14,789)	\$ 17,270,693
Net assets beginning of year					86,954,936	1,260,578	88,215,514
Net assets end of year					\$104,240,418	\$1,245,789	\$105,486,207

* 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, 2011

	General	Capital Projects Fund	Debt Service Fund	Other Nonmajor Funds	Total
Assets					
Cash and pooled investment	\$26,477,077	\$ 7,303,075	\$5,654,000	\$3,011,772	\$42,445,924
Receivables:					
Property tax:					
Delinquent	523,311	39,664	0	25,343	588,318
Succeeding year	43,254,438	3,135,986	0	1,750,000	48,140,424
Accounts	90,133	0	0	0	90,133
Interest:					
Other	0	70,640	50,327	0	120,967
Due from other governments	3,868,014	1,761,949	0	0	5,629,963
Inventories	644,808	0	0	0	644,808
Security Deposit	10,000	0	0	0	10,000
Total assets	<u>\$74,867,781</u>	<u>\$12,311,314</u>	<u>\$5,704,327</u>	<u>\$4,787,115</u>	<u>\$97,670,537</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,853,866	\$ 1,121,739	\$ 0	\$ 28,291	\$ 3,003,896
Salaries and benefits payable	8,862,355	0	0	0	8,862,355
Early retirement payable	44,288	0	0	403,255	447,543
Deferred revenue:					
Succeeding year property tax	43,254,438	3,135,986	0	1,750,000	48,140,424
Other	1,391,716	5,666	0	3,612	1,400,994
Security deposit payable	10,000	0	0	0	10,000
Total liabilities	<u>\$55,416,663</u>	<u>\$ 4,263,391</u>	<u>\$ 0</u>	<u>\$2,185,158</u>	<u>\$61,865,212</u>
Fund balances:					
Non-spendable:					
Inventory	\$ 644,808	\$ 0	\$ 0	\$ 0	\$ 644,808
Restricted for:					
Categorical funding:					
Teacher salary supplement	245,715	0	0	0	245,715
Professional development	241,516	0	0	0	241,516
Market factor incentives	43,150	0	0	0	43,150
Four-year-old preschool state aid	981,731	0	0	0	981,731
Professional development for model core curriculum	364,265	0	0	0	364,265
Textbook aid for non-public students	14,991	0	0	0	14,991
Administrator mentoring	3,000	0	0	0	3,000
Debt service	0	0	5,704,327	0	5,704,327
Management levy purposes	0	0	0	1,867,904	1,867,904
Student activities	0	0	0	734,053	734,053
School infrastructure	0	6,078,292	0	0	6,078,292
Physical plant and equipment	0	1,969,631	0	0	1,969,631
Unassigned	16,911,942	0	0	0	16,911,942
Total fund balances	<u>\$19,451,118</u>	<u>\$ 8,047,923</u>	<u>\$5,704,327</u>	<u>\$2,601,957</u>	<u>\$35,805,325</u>
Total liabilities and fund balances	<u><u>\$74,867,781</u></u>	<u><u>\$12,311,314</u></u>	<u><u>\$5,704,327</u></u>	<u><u>\$4,787,115</u></u>	<u><u>\$97,670,537</u></u>

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, 2011

Total fund balances of governmental funds (page 35)		\$ 35,805,325
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		92,296,181
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.		(229,000)
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	\$ 466,822	
Bonds payable	19,650,000	
Net OPEB liability	<u>3,515,266</u>	
		<u>(23,632,088)</u>
Net assets of governmental activities (page 33)		<u>\$104,240,418</u>

See notes to financial statements.

Dubuque Community School District

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2011

	General	Capital Projects Fund	Debt Service Fund	Other Nonmajor Funds	Total
Revenues:					
Local sources:					
Local tax	\$ 41,381,061	\$13,585,114	\$ 0	\$2,004,045	\$ 56,970,220
Tuition	2,146,825	0	0	0	2,146,825
Other	1,474,376	171,602	125,805	1,751,823	3,523,606
State sources	60,406,550	1,736	0	1,265	60,409,551
Federal sources	9,331,180	61,864	0	0	9,393,044
Total revenues	<u>\$114,739,992</u>	<u>\$13,820,316</u>	<u>\$ 125,805</u>	<u>\$3,757,133</u>	<u>\$132,443,246</u>
Expenditures:					
Current:					
Instruction:					
Regular instruction	\$ 38,569,286	\$ 361,567	\$ 0	\$ 652,039	\$ 39,582,892
Special instruction	21,514,318	0	0	213,128	21,727,446
Other instruction	10,389,358	173,466	0	1,581,296	12,144,120
	<u>\$ 70,472,962</u>	<u>\$ 535,033</u>	<u>\$ 0</u>	<u>\$2,446,463</u>	<u>\$ 73,454,458</u>
Support services:					
Student services	\$ 4,947,080	\$ 0	\$ 0	\$ 87,580	\$ 5,034,660
Instructional staff services	3,498,710	0	0	67,785	3,566,495
Administration services	9,936,513	2,600,149	0	338,717	12,875,379
Operation and maintenance of plant services	7,650,801	272,601	0	482,720	8,406,122
Transportation services	3,171,723	680,770	0	151,469	4,003,962
	<u>\$ 29,204,827</u>	<u>\$ 3,553,520</u>	<u>\$ 0</u>	<u>\$1,128,271</u>	<u>\$ 33,886,618</u>
Non-instructional programs	\$ 91,329	\$ 0	\$ 0	\$ 64,319	\$ 155,648
Facilities acquisition	\$ 0	\$ 1,471,553	\$ 0	\$ 0	\$ 1,471,553
Debt service:					
Principal	0	0	8,710,000	0	8,710,000
Interest and other charges	0	1,037	523,617	0	524,654
AEA flowthrough	4,922,517	0	0	0	4,922,517
	<u>\$ 4,922,517</u>	<u>\$ 1,472,590</u>	<u>\$ 9,233,617</u>	<u>\$ 0</u>	<u>\$ 15,628,724</u>
Total expenditures	<u>\$104,691,635</u>	<u>\$ 5,561,143</u>	<u>\$ 9,233,617</u>	<u>\$3,639,053</u>	<u>\$123,125,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 10,048,357</u>	<u>\$ 8,259,173</u>	<u>\$(9,107,812)</u>	<u>\$ 118,080</u>	<u>\$ 9,317,798</u>
Other financing sources:					
Sales of property and equipment	\$ 259,177	\$ 541,500	\$ 0	\$ 0	\$ 800,677
Transfers in	352,576	1,009,344	7,872,763	0	9,234,683
Transfers out	(1,851)	(7,872,763)	(1,009,343)	(63,670)	(8,947,627)
Net change in fund balances	<u>\$ 10,658,259</u>	<u>\$ 1,937,254</u>	<u>\$(2,244,392)</u>	<u>\$ 54,410</u>	<u>\$ 10,405,531</u>
Fund balances beginning of year	8,792,859	6,110,669	7,948,718	2,547,548	25,399,794
Fund balances end of year	<u>\$ 19,451,118</u>	<u>\$ 8,047,923</u>	<u>\$ 5,704,326</u>	<u>\$2,601,958</u>	<u>\$ 35,805,325</u>

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, 2011

Net change in fund balances – total governmental funds (page 37) \$ 10,405,531

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	\$ 3,559,576	
Depreciation expense	<u>(3,936,279)</u>	(376,703)

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. (116,328)

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

Repaid	<u>\$ 8,710,000</u>	8,710,000
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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. 35,854

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	\$ 7,852	
Other post-employment benefits	<u>(1,380,724)</u>	<u>(1,372,872)</u>

Change in net assets of governmental activities (page 34) \$ 17,285,482

See notes to financial statements.

Dubuque Community School District

Statement of Net Assets

Proprietary Fund

June 30, 2011

	<u>School Nutrition</u>
Assets:	
Current assets:	
Cash	\$1,016,881
Inventories	<u>118,288</u>
Total current assets	<u>\$1,135,169</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>\$ 311,734</u>
Total assets	<u>\$1,446,903</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 857
Salaries and benefits payable	3,713
Deferred revenue	<u>71,202</u>
Total current liabilities	<u>\$ 75,772</u>
Non-current liabilities:	
Net OPEB liability	<u>\$ 125,342</u>
Total liabilities	<u>\$ 201,114</u>
Net Assets:	
Invested in capital assets	\$ 311,734
Unrestricted	<u>934,055</u>
Total net assets	<u>\$1,245,789</u>

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, 2011

	School Nutrition
Operating revenue:	
Local sources:	
Charges for service	<u>\$ 2,505,477</u>
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	\$ 1,603,130
Benefits	634,173
Purchased services	47,197
Supplies	2,237,074
Depreciation	84,472
Loss on disposal of assets	<u>3,011</u>
Total operating expenses	<u>\$ 4,609,057</u>
Operating loss	<u>\$(2,103,580)</u>
Non-operating revenue:	
State sources	\$ 38,944
Federal sources	2,323,679
Interest on investments	<u>13,222</u>
Total non-operating revenue	<u>\$ 2,375,845</u>
Net income before transfers	\$ 272,265
Transfers in	7,334
Transfers out	<u>(294,388)</u>
Change in net assets	<u>\$ (14,789)</u>
Net assets beginning of year	<u>1,260,578</u>
Net assets end of year	<u>\$ 1,245,789</u>

See notes to financial statements.

Dubuque Community School District

Statement of Cash Flows

Proprietary Fund

Year Ended June 30, 2011

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 2,452,732
Cash received from miscellaneous operating activities	60,970
Cash payments to employees for services	(2,181,212)
Cash payments to suppliers for goods or services	<u>(1,951,290)</u>
Net cash used in operating activities	<u>\$(1,618,800)</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 38,944
Federal grants received	1,945,816
Transfers from other funds	7,334
Transfers to other funds	<u>(294,388)</u>
Net cash provided by non-capital financing activities	<u>\$ 1,697,706</u>
Cash flows from investing activities:	
Interest on investments	<u>\$ 13,222</u>
Net increase in cash and cash equivalents	\$ 92,128
Cash and cash equivalents at beginning of year	<u>924,753</u>
Cash and cash equivalents at end of year	<u>\$ 1,016,881</u>

(continued)

Dubuque Community School District

Statement of Cash Flows (continued)

Proprietary Fund

Year Ended June 30, 2011

	<u>School Nutrition</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$(2,103,580)
Adjustments to reconcile operating loss to net cash used in operation activities:	
Commodities used	376,433
Depreciation	84,472
Loss on disposal of assets	3,011
(Increase) in inventories	(38,586)
Increase in accounts payable	727
(Decrease) in accrued salaries and benefits	(5,480)
Increase in deferred revenue (non-federal grants)	8,226
Increase in net OPEB liability	<u>55,977</u>
Net cash used in operating activities	<u><u>\$(1,618,800)</u></u>

Non-cash investing, capital, and financial activities:

During the year ended June 30, 2011, the District received \$376,433 of Federal commodities.

See notes to financial statements.

Dubuque Community School District

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2011

	Private Purpose Trust	Scholarship	Agency
Assets:			
Cash	\$159,307		\$37,371
Liabilities:			
Other payables	\$ <u> 0</u>		<u>\$37,371</u>
Net Assets:			
Reserved for scholarships	<u>\$159,307</u>		<u>\$ <u> 0</u></u>

See notes to financial statements.

Dubuque Community School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2011

Private Purpose Trust

	Total
Additions:	
Local sources:	
Other local sources	\$ 13,608
Interest on investments	<u>2,201</u>
Total revenues	<u>\$ 15,809</u>
 Deductions:	
Instruction:	
Regular instruction:	
Other	<u>\$ 11,779</u>
 Change in net assets	 \$ 4,030
 Net assets beginning of year	 <u>155,277</u>
 Net assets end of year	 <u><u>\$159,307</u></u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

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, 2011

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, 2011

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, 2011

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.

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

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.

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

D. Assets, 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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

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

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

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

Property Tax Receivable – Property tax in the governmental funds 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, 2009, assessed property valuations; is for the tax accrual period July 1, 2010, through June 30, 2011, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2010.

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. 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, 2011

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, 2011. 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, fund balances are classified as follows:

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

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

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

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

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

Unassigned – All amounts not included in other spendable classifications.

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, 2011, expenditures in the support services function area exceeded the amounts budgeted.

Note 2: Cash and Pooled Investments

As of June 30, 2011, the book balance of the District's petty cash totaled \$4,125 and the cash deposit balances totaled \$39,096,358.

As of June 30, 2011, 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

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 2: Cash and Pooled Investments: (continued)

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.

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, 2011, 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	\$ 4,125
Cash deposits	39,096,358
Investments	<u>4,559,000</u>
	<u>\$43,659,483</u>
Governmental activities	\$42,445,924
Business-type activities	1,016,881
Fiduciary funds:	
Private Purpose Trust	159,307
Agency	<u>37,371</u>
	<u>\$43,659,483</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 3: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2011, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Proprietary	General	\$ 1,851
Debt Service	Capital Projects	7,872,763
General	Proprietary	294,388
General	Special Revenue: Student Activity	58,187
Capital Projects	Debt Service	1,009,344
Proprietary	Special Revenue: Student Activity	<u>5,483</u>
Total		<u>\$9,242,016</u>

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

Note 4: Capital Assets – Please refer to the next page

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2011, is as follows:

	Balance Beginning of Year	Increases	(Decreases)	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,269,312	\$ 0	\$ (16,950)	\$ 7,252,362
Construction in progress	4,526,116	1,162,627	(535,569)	5,153,174
Total capital assets not being depreciated	<u>\$ 11,795,428</u>	<u>\$1,162,627</u>	<u>\$ (552,519)</u>	<u>\$ 12,405,536</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 99,849,547	\$1,789,829	\$ (156,000)	\$101,483,376
Land improvements	5,907,137	760,768	(43,400)	6,624,505
Furniture and equipment	20,142,682	1,564,525	(2,154,248)	19,552,959
Total capital assets being depreciated	<u>\$125,899,366</u>	<u>\$4,115,122</u>	<u>\$(2,353,648)</u>	<u>\$127,660,840</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 27,784,921	\$2,477,622	\$ (108,868)	\$ 30,153,675
Land improvements	4,068,471	182,921	(29,255)	4,222,137
Furniture and equipment	13,052,189	1,275,736	(933,542)	13,394,383
Total accumulated depreciation	<u>\$ 44,905,581</u>	<u>\$3,936,279</u>	<u>\$(1,071,665)</u>	<u>\$ 47,770,195</u>
Total capital assets being depreciated, net	<u>\$ 80,993,785</u>	<u>\$ 178,843</u>	<u>\$(1,281,983)</u>	<u>\$ 79,890,645</u>
Governmental activities capital assets, net	<u>\$ 92,789,213</u>	<u>\$1,341,470</u>	<u>\$(1,834,502)</u>	<u>\$ 92,296,181</u>
Business-type Activities:				
Furniture and equipment	\$ 1,520,821	\$ 0	\$ (15,121)	\$ 1,505,700
Less accumulated depreciation	1,121,604	84,472	(12,110)	1,193,966
Business-type activities capital assets, net	<u>\$ 399,217</u>	<u>\$ (84,472)</u>	<u>\$ (3,011)</u>	<u>\$ 311,734</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 4: Capital Assets: (continued)

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 218,428
Special	15,312
Other	46,297

Support services:

Student services	25,349
Instructional staff	15,596
Administration	102,837
Operation and maintenance of plant	122,277
Transportation	444,947
Non-instructional programs	1,721

\$ 992,764

Unallocated depreciation 2,943,515

Total governmental activities depreciation expense \$3,936,279

Business-type activities:

Food services	
Regular depreciation	<u>\$ 84,472</u>

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2011, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$28,360,000	\$ 0	\$8,710,000	\$19,650,000	\$7,200,000
Compensated absences	474,674	466,822	474,674	466,822	466,822
Net OPEB liability	2,134,543	1,380,724	0	3,515,267	0
	<u>\$30,969,217</u>	<u>\$1,847,546</u>	<u>\$9,184,674</u>	<u>\$23,632,089</u>	<u>\$7,666,822</u>
Business type activities:					
Net OPEB liability	<u>\$ 69,365</u>	<u>\$ 55,977</u>	<u>\$ 0</u>	<u>\$ 125,342</u>	<u>\$ 0</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 5: 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, 2011, is as follows:

Summary – Debt Service Requirements to Maturity			
Fiscal Year	Principal	Interest	Total
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>\$19,650,000</u>	<u>\$692,250</u>	<u>\$20,342,250</u>

Details of the District's June 30, 2011, school infrastructure sales, services and use tax revenue refunding bond indebtedness are as follows:

Series 2009 Bonds

Year Ending June 30,	Interest Rate	Principal	Interest	Total
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>\$213,750</u>	<u>\$8,213,750</u>

Series 2010B Bonds

Year Ending June 30,	Interest Rate	Principal	Interest	Total
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>\$11,650,000</u>	<u>\$478,500</u>	<u>\$12,128,500</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$19,650,000 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 \$20,342,250.

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 5: Long-term Liabilities: (continued)

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, 2011.

During the year ended June 30, 2011, the District made interest payments totaling \$523,617.

Note 6: 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.

Plan members are required to contribute 4.50% of their annual covered salary and the District is required to contribute 6.95% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2011, 2010, and 2009 were \$4,466,474, \$4,313,135, and \$4,199,404, 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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 6: Pension and Retirement Benefits: (continued)

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, 2011, the District has obligations to thirty-two (32) participants with a total accrued liability of \$447,543. These early retirement benefits will be paid July 1, 2011.

Early retirement benefits paid during the year ended June 30, 2011, totaled \$359,379.

Note 7: Other Post-employment Benefits

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 65th 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.

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 cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty (30) years.

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 7: Other Post-employment Benefits: (continued)

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2011, the amount actuarially contributed to the plan and changes in the District's annual OPEB obligation:

Annual required contribution	\$2,052,511
Interest on net OPEB obligation	88,156
Adjustment to annual required contribution	<u>(73,464)</u>
Annual OPEB cost (expenses)	\$2,067,203
Contributions and payments made	<u>(630,502)</u>
Increase in net OPEB obligation	\$1,436,701
Net OPEB obligation – June 30, 2010	<u>2,203,908</u>
Net OPEB obligation – June 30, 2011	\$3,640,609

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, 2011.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2011, are summarized as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$1,718,096	34.5%	\$1,125,859
June 30, 2010	\$1,722,935	37.4%	\$2,203,908
June 30, 2011	\$2,067,203	30.5%	\$3,640,609

Funded Status and Funding Progress: As of July 1, 2010, the most recent actuarial valuation date for the period July 1, 2010, through June 30, 2011, the actuarial accrued liability was \$20.671 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$20.671 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$64,287,186 and the ratio of the UAAL to covered payroll was 32.2%. As of June 30, 2011, there were no trust fund assets.

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 7: 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. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information 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 accrued 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 8: 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 9: 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 \$4,922,517 for the year ended June 30, 2011, and is recorded in the general fund by making a memorandum adjusting entry to the financial statements.

Note 10: 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, 2011, \$78,307 of change orders had been added to the project. Funding will come from the capital projects fund. As of June 30, 2011, \$3,485,207 had been paid on the contract.

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

Note 10: Construction and Other Commitments: (continued)

On May 13, 2011, the District signed an \$813,134 contract with Dell Computer Corporation for Network Infrastructure Readiness. As of June 30, 2011, no change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 2011, nothing had been paid on the contract.

At June 30, 2011, the District also had approximately \$883,249 in commitments related to unfilled purchase orders for goods and services.

Note 11: Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended June 30, 2011. The effect of fund type reclassifications is as follows:

	<u>Capital Projects</u>	<u>Special Revenue, Physical Plant and Equipment Levy</u>
Balances June 30, 2010, as previously reported	\$4,427,498	\$ 1,683,171
Change in fund type classification per implementation of GASB Statement No. 54	<u>1,683,171</u>	<u>(1,683,171)</u>
Balances July 1, 2010, as restated	<u>\$6,110,669</u>	<u>\$ 0</u>

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

The District implemented the following statements:

- 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 effect on the District in the current year is indicated in Note 11: Accounting Change/Restatement.
- The GASB issued Statement No. 59, *Financial Instruments Omnibus* in June 2010. The requirements of the related Statement are effective for financial statements for periods beginning after June 15, 2010. This Statement had no effect on the District in the current year.

Dubuque Community School District

Notes to Financial Statements

June 30, 2011

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

As of June 30, 2011, the GASB had issued statements not yet implemented by the District. The statements which might impact the District are as follows:

- The GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* in December 2009. This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*. Provisions related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information on OPEB plan financial statements for periods beginning after June 15, 2011.
- The GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* in November 2010. The requirements of the related Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented.
- The GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* in November 2010. The requirements of the related Statement are effective for financial statements for periods beginning after June 15, 2012.
- The GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1998, FASB and AICPA Pronouncements* in December 2010. The requirements of the related Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

The District's management has not yet determined the effect these Statements 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, 2011

	Actual Amounts			Budgeted Amounts		Final to Actual Variance
	Governmental Funds	Proprietary Fund	Total	Original	Amended	
Revenues:						
Local sources	\$ 62,640,651	\$2,518,699	\$ 65,159,350	\$ 65,118,069	\$ 65,118,069	\$ 41,281
State sources	60,409,551	38,944	60,448,495	65,628,847	65,628,847	(5,180,352)
Federal sources	9,393,044	2,323,679	11,716,723	7,716,154	7,716,154	4,000,569
Total revenues	\$132,443,246	\$4,881,322	\$137,324,568	\$138,463,070	\$138,463,070	\$(1,138,502)
Expenditures:						
Instruction	\$ 73,454,458	\$ 0	\$ 73,454,458	\$ 76,202,500	\$ 76,202,500	\$ 2,748,042
Support services	33,886,618	0	33,886,618	32,834,500	33,834,500	(52,118)
Non-instructional programs	155,648	4,609,057	4,764,705	4,898,243	4,898,243	133,538
Other expenditures	15,628,724	0	15,628,724	13,097,507	16,097,507	468,783
Total expenditures	\$123,125,448	\$4,609,057	\$127,734,505	\$127,032,750	\$131,032,750	\$ 3,298,245
Excess (deficiency) of revenues over expenditures	\$ 9,317,798	\$ 272,265	\$ 9,590,063	\$ 11,430,320	\$ 7,430,320	\$ 2,159,743
Other financing sources, net	1,087,733	(287,054)	800,679	30,000	30,000	770,679
Excess (deficiency) of revenues and other financing sources over expenditures	\$ 10,405,531	\$ (14,789)	\$ 10,390,742	\$ 11,460,320	\$ 7,460,320	\$ 2,930,422
Balances beginning of year	25,399,794	1,260,578	26,660,372	22,443,128	22,443,128	4,217,244
Balances end of year	\$ 35,805,325	\$1,245,789	\$ 37,051,114	\$ 33,903,448	\$ 29,903,448	\$ 7,147,666

See accompanying independent auditors' report.

Dubuque Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year Ended June 30, 2011

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 \$4,000,000.

During the year ended June 30, 2011, expenditures in the support services function exceeded the amounts budgeted.

Dubuque Community School District
Schedule of Funding Progress for the Retiree Health Benefit Plan
Required Supplementary Information
June 30, 2011

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%
2011	7/1/2010	\$0	\$20,671,234	\$20,671,234	0.0%	\$64,287,186	32.2%

IPERS covered payroll for FY 2011

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

See Note 7 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, 2011

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.

Dubuque Community School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

	<u>Special Revenue</u>		
	<u>Management Levy</u>	<u>Student Activity</u>	<u>Total</u>
Assets			
Cash	\$2,262,174	\$749,598	\$3,011,772
Receivables:			
Property tax:			
Delinquent	25,343	0	25,343
Succeeding year	1,750,000	0	1,750,000
Total assets	<u>\$4,037,517</u>	<u>\$749,598</u>	<u>\$4,787,115</u>
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 12,746	\$ 15,545	\$ 28,291
Early retirement payable	403,255	0	403,255
Deferred revenue:			
Succeeding year property tax	1,750,000	0	1,750,000
Other	3,612	0	3,612
Total liabilities	<u>\$2,169,613</u>	<u>\$ 15,545</u>	<u>\$2,185,158</u>
Fund balances:			
Restricted for:			
Management levy purposes	\$1,867,904	\$ 0	\$1,867,904
Student activities	0	734,053	734,053
Total fund balances	<u>\$1,867,904</u>	<u>\$734,053</u>	<u>\$2,601,957</u>
Total liabilities and fund equity	<u>\$4,037,517</u>	<u>\$749,598</u>	<u>\$4,787,115</u>

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, 2011

	Special Revenue		
	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	\$2,004,045	\$ 0	\$2,004,045
Other	100,605	1,651,218	1,751,823
State sources	1,265	0	1,265
Total revenues	<u>\$2,105,915</u>	<u>\$1,651,218</u>	<u>\$3,757,133</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$ 652,039	\$ 0	\$ 652,039
Special instruction	213,128	0	213,128
Other instruction	3,110	1,578,186	1,581,296
Support services:			
Student services	87,580	0	87,580
Instructional staff services	67,785	0	67,785
Administration services	338,717	0	338,717
Operation and maintenance of plant services	482,720	0	482,720
Transportation services	151,469	0	151,469
Non-instructional programs	64,319	0	64,319
Total expenditures	<u>\$2,060,867</u>	<u>\$1,578,186</u>	<u>\$3,639,053</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 45,048	\$ 73,032	\$ 118,080
Other financing sources:			
Operating transfers out	\$ 0	\$ (63,670)	\$ (63,670)
Net change in fund balances	<u>\$ 45,048</u>	<u>\$ 9,362</u>	<u>\$ 54,410</u>
Fund balances beginning of year	<u>1,822,856</u>	<u>724,691</u>	<u>2,547,547</u>
Fund balances end of year	<u><u>\$1,867,904</u></u>	<u><u>\$ 734,053</u></u>	<u><u>\$2,601,957</u></u>

See accompanying independent auditors' report.

Dubuque Community School District

Capital Project Accounts

Capital Projects Fund

Year Ended June 30, 2011

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

Statewide Sales, Services,
and Use Tax

Statewide sales and services tax moneys received for school infrastructure purposes shall be utilized solely for school infrastructure needs or school district property tax relief. These activities include the construction, reconstruction, repair, demolition work, purchasing, or remodeling of schoolhouses, stadiums, gyms, field houses, and bus garages and the procurement of schoolhouse construction sites and making of site improvements and those activities for which revenues under Iowa Code Section 298.3 or Section 300.2 may be spent. Additionally, "school infrastructure" includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes, and the payment or retirement of bonds issued under Iowa Code Section 423E.5.

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

Capital Project Accounts

Year Ended June 30, 2011

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$4,983,530	\$2,319,545	\$ 7,303,075
Receivables:			
Property tax:			
Delinquent	0	39,664	39,664
Succeeding year	0	3,135,986	3,135,986
Interest	70,640	0	70,640
Due from other governments	1,761,949	0	1,761,949
Total assets	\$6,816,119	\$5,495,195	\$12,311,314
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 737,827	\$ 383,912	\$ 1,121,739
Deferred revenue:			
Succeeding year property tax	0	3,135,986	3,135,986
Other	0	5,666	5,666
Total liabilities	\$ 737,827	\$3,525,564	\$ 4,263,391
Fund balances:			
Restricted for:			
School infrastructure	\$6,078,292	\$ 0	\$ 6,078,292
Physical plant and equipment	0	1,969,631	1,969,631
Total fund balances	\$6,078,292	\$1,969,631	\$ 8,047,923
Total liabilities and fund balances	\$6,816,119	\$5,495,195	\$12,311,314

See accompanying independent auditors' report.

Dubuque Community School District

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

Capital Project Accounts

Year Ended June 30, 2011

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$10,578,600	\$3,006,514	\$13,585,114
Other	146,275	25,327	171,602
State sources	0	1,736	1,736
Federal sources	0	61,864	61,864
Total revenues	<u>\$10,724,875</u>	<u>\$3,095,441</u>	<u>\$13,820,316</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$ 0	\$ 361,567	\$ 361,567
Other instruction	0	173,466	173,466
	<u>\$ 0</u>	<u>\$ 535,033</u>	<u>\$ 535,033</u>
Support services:			
Administration services	\$ 2,134,969	\$ 465,180	\$ 2,600,149
Operation and maintenance of plant services	0	272,601	272,601
Transportation services	0	680,770	680,770
	<u>\$ 2,134,969</u>	<u>\$1,418,551</u>	<u>\$ 3,553,520</u>
Facilities acquisition	\$ 74,693	\$1,396,860	\$ 1,471,553
Debt service:			
Principal			
Interest and other charges	1,000	37	1,037
	<u>\$ 75,693</u>	<u>\$1,396,897</u>	<u>\$ 1,472,590</u>
Total expenditures	<u>\$ 2,210,662</u>	<u>\$3,350,481</u>	<u>\$ 5,561,143</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 8,514,213	\$ (255,040)	\$ 8,259,173
Other financing sources:			
Sales of property and equipment	\$ 0	\$ 541,500	\$ 541,500
Transfers in	1,009,344	0	1,009,344
Transfers out	(7,872,763)	0	(7,872,763)
Net change in fund balances	<u>\$ 1,650,794</u>	<u>\$ 286,460</u>	<u>\$ 1,937,254</u>
Fund balances beginning of year	4,427,498	1,683,171	6,110,669
Fund balances end of year	<u>\$ 6,078,292</u>	<u>\$1,969,631</u>	<u>\$ 8,047,923</u>

See accompanying independent auditors' report.

Dubuque Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2011

	Balance June 30, 2010	Revenues	Expenditures	Balance June 30, 2011
Senior High Schools:				
Alternative Learning Center	\$ 6,159	\$ 1,451	\$ 1,934	\$ 5,676
Stephen Hempstead	198,057	508,176	495,148	211,085
Dubuque Senior	188,756	582,049	609,696	161,109
Total Senior High Schools	<u>\$392,972</u>	<u>\$1,091,676</u>	<u>\$1,106,778</u>	<u>\$377,870</u>
Middle Schools:				
Jefferson	\$ 58,886	\$ 35,897	\$ 28,806	\$ 65,977
Washington	40,020	44,464	52,815	31,669
Roosevelt	83,146	68,662	53,442	98,366
Total Middle Schools	<u>\$182,052</u>	<u>\$ 149,023</u>	<u>\$ 135,063</u>	<u>\$196,012</u>
Elementary Schools:				
Audubon	\$ 17,426	\$ 739	\$ 150	\$ 18,015
Bryant	3,586	5,295	3,748	5,133
Eisenhower	1,348	2,424	1,939	1,833
Carver	7,098	9,864	7,793	9,169
Fulton	22,564	7,022	4,928	24,658
Hoover	27,892	21,133	20,892	28,133
Irving	28,365	18,335	15,685	31,015
Kennedy	12,012	1,677	1,507	12,182
Lincoln	2,710	9,682	7,907	4,485
Marshall	12,118	5,572	5,518	12,172
Prescott	3,468	2,841	2,218	4,091
Sageville	2,419	4,873	3,790	3,502
Table Mound	8,699	4,963	5,922	7,740
Jones Hand-in-Hand Preschool	1,337	1,262	2,248	351
Total Elementary Schools	<u>\$151,042</u>	<u>\$ 95,682</u>	<u>\$ 84,245</u>	<u>\$162,479</u>
Athletic reserve	\$ (3,401)	\$ 302,176	\$ 302,752	\$ (3,977)
District instrumental music	2,026	12,661	13,018	1,669
	<u>\$ (1,375)</u>	<u>\$ 314,837</u>	<u>\$ 315,770</u>	<u>\$ (2,308)</u>
Grand Total	<u><u>\$724,691</u></u>	<u><u>\$1,651,218</u></u>	<u><u>\$1,641,856</u></u>	<u><u>\$734,053</u></u>

See accompanying independent auditors' report.

Dubuque Community School District
Schedule of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2011

	Private Purpose Trust				Total
	Trust	Scholarships			
	Prescott Elementary Trust	Dubuque Senior High School Scholarships	Stephen Hempstead High School Scholarships	Alternative Learning Center Scholarship	
Additions:					
Local sources:					
Other local sources	\$ 0	\$ 10,083	\$ 3,025	\$ 500	\$ 13,608
Interest on investments	<u>211</u>	<u>1,560</u>	<u>419</u>	<u>11</u>	<u>2,201</u>
Total revenues	<u>\$ 211</u>	<u>\$ 11,643</u>	<u>\$ 3,444</u>	<u>\$ 511</u>	<u>\$ 15,809</u>
Deductions:					
Instruction:					
Regular instruction:					
Other	<u>\$ 0</u>	<u>\$ 8,629</u>	<u>\$ 3,150</u>	<u>\$ 0</u>	<u>\$ 11,779</u>
Change in net assets	\$ 211	\$ 3,014	\$ 294	\$ 511	\$ 4,030
Net assets beginning of year	<u>\$15,312</u>	<u>\$107,949</u>	<u>\$31,392</u>	<u>\$ 624</u>	<u>\$155,277</u>
Net assets end of year	<u>\$15,523</u>	<u>\$110,963</u>	<u>\$31,686</u>	<u>\$1,135</u>	<u>\$159,307</u>

See notes to financial statements.

Dubuque Community School District
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Fund
Year Ended June 30, 2011

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Assets				
Cash	\$32,794	\$31,292	\$26,715	\$37,371
Total assets	<u>\$32,794</u>	<u>\$31,292</u>	<u>\$26,715</u>	<u>\$37,371</u>
Liabilities				
Other payables	<u>\$32,794</u>	<u>\$31,292</u>	<u>\$26,715</u>	<u>\$37,371</u>
Total liabilities	<u>\$32,794</u>	<u>\$31,292</u>	<u>\$26,715</u>	<u>\$37,371</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			
	2011	2010	2009	2008
Revenues:				
Local sources:				
Local tax	\$ 56,970,220	\$ 55,448,603	\$ 53,527,722	\$ 49,698,676
Tuition	2,146,825	2,229,601	2,054,271	1,974,497
Other	3,523,606	3,716,733	3,845,347	4,531,034
State sources	60,409,551	52,410,026	60,032,976	57,095,921
Federal sources	9,393,044	12,657,914	6,694,658	4,296,825
Total	<u>\$132,443,246</u>	<u>\$126,462,877</u>	<u>\$126,154,974</u>	<u>\$117,596,953</u>
Expenditures:				
Instruction:				
Regular instruction	\$ 39,582,892	\$ 40,345,167	\$ 41,870,736	\$ 39,315,976
Special instruction	21,727,446	22,461,743	22,934,962	19,711,873
Other instruction	12,144,120	11,483,872	8,923,625	9,841,978
Support services:				
Student services	5,034,660	5,053,316	5,093,057	4,893,096
Instructional staff services	3,566,495	3,422,804	3,552,175	3,755,466
Administration services	12,875,379	10,602,780	10,349,190	10,428,962
Operation and maintenance of plant services	8,406,122	8,554,178	8,958,199	9,118,255
Transportation services	4,003,962	3,465,091	3,019,418	3,145,333
Non-instructional programs	155,648	306,817	93,675	143,549
Other expenditures:				
Facilities acquisition	1,471,553	3,547,438	3,718,729	6,024,792
Debt service:				
Principal	8,710,000	33,299,833	7,466,208	4,496,208
Interest and fiscal charges	524,654	1,323,733	1,482,355	1,675,126
AEA flowthrough	4,922,517	4,802,377	4,321,171	4,106,863
TIF property tax payment to City and other property taxes	0	0	229	25,690
City street assessments	0	0	0	0
Total	<u>\$123,125,448</u>	<u>\$148,669,149</u>	<u>\$121,783,729</u>	<u>\$116,683,167</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					
2007	2006	2005	2004	2003	2002
\$ 47,166,139	\$ 43,695,073	\$ 40,863,268	\$36,562,089	\$28,511,489	\$26,263,207
1,970,036	1,591,829	1,522,456	1,236,803	1,430,405	1,459,144
4,342,335	4,853,070	3,776,111	3,267,111	3,584,566	3,263,275
51,611,486	47,796,591	44,019,322	41,348,965	40,931,161	40,822,487
3,460,383	3,630,635	3,035,986	3,274,481	2,674,714	2,044,411
\$108,550,379	\$101,567,198	\$ 93,217,143	\$85,689,449	\$77,132,335	\$73,852,524
\$ 36,383,897	\$ 34,064,192	\$ 31,370,284	\$28,594,425	\$26,540,765	\$26,438,968
17,799,574	16,289,430	14,828,336	13,290,321	12,220,711	12,187,040
9,059,837	8,659,689	8,018,424	7,673,923	7,456,799	7,278,739
4,422,022	4,285,632	3,944,056	3,753,351	3,372,238	3,193,569
3,615,550	4,135,111	3,960,303	3,579,280	3,987,323	3,728,985
10,120,152	9,499,497	8,165,361	7,615,556	6,764,538	7,162,474
8,564,905	8,312,753	6,382,867	6,237,741	6,214,273	5,874,324
3,729,525	3,364,702	3,108,408	3,006,514	2,832,057	2,680,612
133,012	166,235	183,046	236,125	221,806	173,418
18,839,199	21,353,125	29,054,751	7,451,272	4,473,750	2,375,210
1,036,209	101,208	7,000,000	0	0	0
1,542,704	1,236,956	491,732	0	0	0
3,803,870	3,532,385	3,307,910	3,233,844	3,337,833	3,301,539
26,248	26,248	0	0	0	0
79,548	0	0	0	0	0
\$119,156,252	\$115,027,163	\$119,815,478	\$84,672,352	\$77,422,093	\$74,394,878

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.

Contents

Tables

Financial Trends

1-9

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

10-13

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

14-17

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.

Demographic and Economic Information

18-19

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

20-22

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.

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.*

Table 1

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Governmental activities:				
Invested in capital assets, net of related debt	\$ 72,646,181	\$64,429,213	\$59,780,783	\$53,355,696
Restricted	18,245,575	17,404,114	9,206,811	8,920,643
Unrestricted	13,348,662	5,121,609	7,757,840	4,416,579
Total governmental activities net assets	\$104,240,418	\$86,954,936	\$76,745,434	\$66,692,918
Business-type activities:				
Invested in capital assets, net of related debt	\$ 311,734	\$ 399,217	\$ 442,195	\$ 483,616
Restricted	0	0	0	0
Unrestricted	934,055	861,361	808,733	882,625
Total business-type activities net assets	\$ 1,245,789	\$ 1,260,578	\$ 1,250,928	\$ 1,366,241
Primary government:				
Invested in capital assets, net of related debt	\$ 72,957,915	\$64,828,430	\$60,222,978	\$53,839,312
Restricted	18,245,575	17,404,114	9,206,811	8,920,643
Unrestricted	14,282,717	5,982,970	8,566,573	5,299,204
Total primary government net assets	\$105,486,207	\$88,215,514	\$77,996,362	\$68,059,159

Source: District Financial Records

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

Table 1

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

2007	2006	2005	2004	2003
\$43,446,260	\$41,984,932	\$29,300,136	\$28,108,806	\$24,793,170
6,559,669	5,713,421	2,201,244	2,161,357	168,460
5,627,070	8,371,837	15,351,153	8,563,967	7,730,002
<u>\$55,632,999</u>	<u>\$56,070,190</u>	<u>\$46,852,533</u>	<u>\$38,834,130</u>	<u>\$32,691,632</u>
\$ 537,950	\$ 518,906	\$ 477,625	\$ 487,797	\$ 248,507
0	0	0	0	0
877,323	714,858	707,623	763,024	964,753
<u>\$ 1,415,273</u>	<u>\$ 1,233,764</u>	<u>\$ 1,185,248</u>	<u>\$ 1,250,821</u>	<u>\$ 1,213,260</u>
\$43,984,210	\$42,503,838	\$29,777,761	\$28,596,603	\$25,041,677
6,559,669	5,713,421	2,201,244	2,161,357	168,460
6,504,393	9,086,695	16,058,776	9,326,991	8,694,755
<u>\$57,048,272</u>	<u>\$57,303,954</u>	<u>\$48,037,781</u>	<u>\$40,084,951</u>	<u>\$33,904,892</u>

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Expenses:				
Governmental activities:				
Instruction	\$ 73,398,582	\$ 74,580,509	\$ 74,524,139	\$ 67,010,362
Student services	4,916,281	5,064,842	5,147,311	4,766,058
Instructional staff services	3,582,091	3,442,464	3,607,500	3,677,598
Administration services	12,704,945	10,704,315	10,590,758	10,125,713
Operation and maintenance of plant services	8,123,156	8,658,932	9,011,009	8,835,601
Transportation services	3,511,033	3,521,943	3,501,716	3,683,632
Non-instructional programs	157,526	309,415	96,998	142,067
AEA flowthrough	4,922,517	4,802,377	4,321,171	4,106,863
TIF property tax payment and street assessments to City	0	0	229	25,690
Interest on long-term debt	487,800	1,271,952	1,482,355	1,675,126
Bond costs	1,000	316,635	0	0
Other post-employment benefits	1,380,724	1,044,119	1,090,424	0
Depreciation (unallocated)	2,259,167	3,230,537	3,090,034	2,745,092
Total governmental activities expenses	\$115,444,822	\$116,948,040	\$116,463,644	\$106,793,802
Business-type activities:				
Nutrition services	\$ 4,609,057	\$ 4,562,590	\$ 4,336,522	\$ 4,159,239
Total business-type activities expenses	\$ 4,609,057	\$ 4,562,590	\$ 4,336,522	\$ 4,159,239
Total primary government expenses	\$120,053,879	\$121,510,630	\$120,800,166	\$110,953,041

(Continued on the following page.)

Table 2

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

2007	2006	2005	2004	2003
\$ 68,921,618	\$57,066,744	\$53,686,035	\$50,509,332	\$45,653,641
4,813,824	4,149,153	3,908,916	3,843,081	5,654,792
3,873,716	3,987,756	3,955,118	3,655,740	3,338,398
10,955,010	9,174,908	8,137,338	7,825,390	4,975,554
8,967,625	7,960,412	6,417,589	6,422,972	6,161,272
3,738,099	3,259,502	3,120,256	3,003,369	2,714,774
138,771	161,802	177,698	245,163	220,954
3,803,870	3,532,385	3,307,910	3,233,844	3,337,833
105,796	26,248	0	0	0
1,542,704	1,120,477	608,211	0	0
23,615	128,710	279,056	0	0
0	0	0	0	0
2,227,645	1,875,361	1,839,243	1,019,290	552,625
\$109,112,293	\$92,443,458	\$85,437,370	\$79,758,181	\$72,609,843
\$ 3,949,212	\$ 3,957,058	\$ 3,720,132	\$ 3,383,859	\$ 3,158,267
\$ 3,949,212	\$ 3,957,058	\$ 3,720,132	\$ 3,383,859	\$ 3,158,267
\$113,061,505	\$96,400,516	\$89,157,502	\$83,142,040	\$75,768,110

Table 2

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 4,481,908	\$ 4,343,293	\$ 4,139,082	\$ 4,181,758
Support services	35,099	34,133	29,432	26,076
Operating grants and contributions	22,162,557	25,152,465	21,261,442	15,582,180
Capital grants and contributions	61,864	88,137	0	5,850
Total governmental activities program revenues	\$ 26,741,428	\$ 29,618,028	\$ 25,429,956	\$ 19,795,864
Business-type activities:				
Charges for services:				
Nutrition services	\$ 2,505,477	\$ 2,520,337	\$ 2,484,568	\$ 2,369,246
Operating grants and contributions	2,362,623	2,365,458	1,992,219	1,823,216
Total business-type program revenues	\$ 4,868,100	\$ 4,885,795	\$ 4,476,787	\$ 4,192,462
Total primary government program revenues	\$ 31,609,528	\$ 34,503,823	\$ 29,906,743	\$ 23,988,326
Net (expense) revenue:				
Governmental activities	\$(88,703,394)	\$(87,330,012)	\$(91,033,688)	\$(86,997,938)
Business-type activities	259,043	323,205	140,265	33,223
Total primary government net expense	\$(88,444,351)	\$(87,006,807)	\$(90,893,423)	\$(86,964,715)

Source: District Financial Records

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

Table 2

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

2007	2006	2005	2004	2003
\$ 4,234,503	\$ 3,897,690	\$ 3,737,360	\$ 3,311,107	\$ 3,610,460
27,342	28,613	34,366	30,411	29,636
12,145,764	11,319,335	9,686,214	8,891,172	9,143,091
50,750	325,600	358,598	919,717	393,958
\$ 16,458,359	\$ 15,571,238	\$ 13,816,538	\$ 13,152,407	\$ 13,177,145
\$ 2,425,845	\$ 2,404,627	\$ 2,036,599	\$ 1,922,552	\$ 1,825,395
1,793,501	1,675,198	1,605,625	1,488,839	1,356,224
\$ 4,219,346	\$ 4,079,825	\$ 3,642,224	\$ 3,411,391	\$ 3,181,619
\$ 20,677,705	\$ 19,651,063	\$ 17,458,762	\$ 16,563,798	\$ 16,358,764
\$(92,653,934)	\$(76,872,220)	\$(71,620,832)	\$(66,605,774)	\$(59,432,698)
270,134	122,767	(77,908)	27,532	23,352
\$(92,383,800)	\$(76,749,453)	\$(71,698,740)	\$(66,578,242)	\$(59,409,346)

Table 3

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Net (expenses) revenue:				
Governmental activities	\$ (88,703,394)	\$(87,330,012)	\$(91,033,688)	\$(86,997,938)
Business-type activities	259,043	323,205	140,265	33,223
Total primary government net expense	\$ (88,444,351)	\$(87,006,807)	\$(90,893,423)	\$(86,964,715)
General revenues and other changes in net assets:				
Governmental activities:				
Property tax levied for general purposes	\$ 43,385,106	\$ 42,170,729	\$ 40,684,264	\$ 36,598,441
Property tax levied for capital outlay	3,006,514	2,857,384	2,737,058	2,532,490
Local option sales tax	10,578,600	10,420,491	10,106,400	10,567,745
Unrestricted state grants	47,873,056	40,152,782	46,053,267	46,501,356
Investment earnings	539,547	747,429	682,349	774,912
Miscellaneous	318,999	854,031	543,975	959,573
Transfers	287,054	336,668	278,891	123,340
Total governmental activities	\$105,988,876	\$ 97,539,514	\$101,086,204	\$ 98,057,857
Business-type activities:				
Investment earnings	\$ 13,222	\$ 23,113	\$ 23,313	\$ 44,086
Transfers	(287,054)	(336,668)	(278,891)	(126,341)
Total business-type activities	\$ (273,832)	\$ (313,555)	\$ (255,578)	\$ (82,255)
Change in net assets:				
Governmental activities	\$ 17,285,482	\$ 10,209,502	\$ 10,052,516	\$ 11,059,919
Business-type activities	(14,789)	9,650	(115,313)	(49,032)
Total primary government	\$ 17,270,693	\$ 10,219,152	\$ 9,937,203	\$ 11,010,887

Source: District Financial Records

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

Table 3

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

2007	2006	2005	2004	2003
\$(92,653,934)	\$(76,872,220)	\$(71,620,832)	\$(66,605,774)	\$(59,432,698)
270,134	122,767	(77,908)	27,532	23,352
\$(92,383,800)	\$(76,749,453)	\$(71,698,740)	\$(66,578,242)	\$(59,409,346)
\$ 34,446,462	\$ 31,504,694	\$ 28,605,783	\$ 25,066,047	\$ 24,682,939
2,470,364	2,374,392	2,286,154	3,935,949	3,828,550
10,249,312	9,815,987	9,971,691	7,560,094	19,380
43,373,049	40,715,113	37,729,169	35,135,131	34,236,756
1,013,746	793,031	472,063	180,465	270,357
539,087	792,744	574,375	870,586	934,457
124,723	93,916	0	0	0
\$ 92,216,743	\$ 86,089,877	\$ 79,639,235	\$ 72,748,272	\$ 63,972,439
\$ 36,098	\$ 19,665	\$ 12,335	\$ 10,029	\$ 13,403
(124,723)	(93,916)	0	0	0
\$ (88,625)	\$ (74,251)	\$ 12,335	\$ 10,029	\$ 13,403
\$ (437,191)	\$ 9,217,657	\$ 8,018,403	\$ 6,142,498	\$ 4,539,741
181,509	48,516	(65,573)	37,561	36,755
\$ (255,682)	\$ 9,266,173	\$ 7,952,830	\$ 6,180,059	\$ 4,576,496

Table 4

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

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
General Fund:				
Nonspendable	\$ 644,808	\$ 0	\$ 0	\$ 0
Restricted	1,894,368	0	0	0
Unassigned	16,911,942	0	0	0
Reserved	0	1,343,743	1,541,028	1,283,675
Unreserved	0	7,449,116	4,393,552	(573,069)
Total General Fund	\$19,451,118	\$ 8,792,859	\$ 5,934,580	\$ 710,606
All other governmental funds:				
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	16,354,207	0	0	0
Unassigned	0	0	0	0
Reserved	0	8,600,545	6,947,435	7,017,199
Unreserved, reported in				
Capital projects fund	0	4,427,498	3,271,080	4,039,660
Debt service fund	0	72,864	115,299	124,370
Special revenue funds	0	3,506,028	2,259,376	1,903,504
Total all other governmental funds	\$16,354,207	\$16,606,935	\$12,593,190	\$13,084,733
Total all governmental funds	\$35,805,325	\$25,399,794	\$18,527,770	\$13,795,339

Source: District Financial Records

Notes: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

Table 4

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

2007	2006	2005	2004	2003	2002
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
738,613	618,359	539,237	563,349	597,405	573,681
21,603	1,174,798	3,956,557	4,740,667	5,867,359	4,081,308
<u>\$ 760,216</u>	<u>\$ 1,793,157</u>	<u>\$ 4,495,794</u>	<u>\$ 5,304,016</u>	<u>\$6,464,764</u>	<u>\$4,654,989</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
5,339,534	4,408,492	3,508,070	634,585	15,929	1,000,000
5,258,518	6,967,955	8,448,569	3,631,442	0	0
46,382	0	0	0	0	0
1,220,135	1,304,929	1,509,653	1,526,772	1,774,714	2,872,927
<u>\$11,864,569</u>	<u>\$12,681,376</u>	<u>\$13,466,292</u>	<u>\$ 5,792,799</u>	<u>\$1,790,643</u>	<u>\$3,872,927</u>
<u>\$12,624,785</u>	<u>\$14,474,533</u>	<u>\$17,962,086</u>	<u>\$11,096,815</u>	<u>\$8,255,407</u>	<u>\$8,527,916</u>

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Local sources:				
Local tax	\$ 56,970,220	\$ 55,448,603	\$ 53,527,722	\$ 49,698,676
Tuition	2,146,825	2,229,601	2,054,271	1,974,497
Other	3,523,607	3,716,733	3,845,347	4,531,034
Total local sources	\$ 62,640,652	\$ 61,394,937	\$ 59,427,340	\$ 56,204,207
State sources:				
State sources	\$ 60,409,551	\$ 52,410,026	\$ 60,032,976	\$ 57,095,921
Total state sources	\$ 60,409,551	\$ 52,410,026	\$ 60,032,976	\$ 57,095,921
Federal sources:				
Federal sources	\$ 9,393,044	\$ 12,657,914	\$ 6,694,658	\$ 4,296,825
Total federal sources	\$ 9,393,044	\$ 12,657,914	\$ 6,694,658	\$ 4,296,825
Total governmental funds revenue	\$132,443,247	\$126,462,877	\$126,154,974	\$117,596,953

Source: District Financial Records

Table 5

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

2007	2006	2005	2004	2003	2002
\$ 47,166,139	\$ 43,695,073	\$40,863,628	\$36,562,089	\$28,511,489	\$26,263,207
1,970,036	1,591,829	1,522,456	1,236,803	1,430,405	1,459,144
4,342,335	4,853,070	3,776,111	3,267,111	3,584,566	3,263,275
\$ 53,478,510	\$ 50,139,972	\$46,162,195	\$41,066,003	\$33,526,460	\$30,985,626
\$ 51,611,486	\$ 47,796,591	\$44,019,322	\$41,348,965	\$40,931,161	\$40,822,487
\$ 51,611,486	\$ 47,796,591	\$44,019,322	\$41,348,965	\$40,931,161	\$40,822,487
\$ 3,460,383	\$ 3,630,635	\$ 3,035,986	\$ 3,274,481	\$ 2,674,714	\$ 2,044,411
\$ 3,460,383	\$ 3,630,635	\$ 3,035,986	\$ 3,274,481	\$ 2,674,714	\$ 2,044,411
\$108,550,379	\$101,567,198	\$93,217,503	\$85,689,449	\$77,132,335	\$73,852,524

Table 6

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

	Fiscal Year				
	2011	2010	2009	2008	2007
Local sources					
Taxes	\$ 41,381,061	\$ 39,500,291	\$ 38,480,604	\$ 34,543,982	\$32,342,730
Tuition	2,146,825	2,229,601	2,054,271	1,974,497	1,970,036
Transportation	35,099	34,133	29,432	26,076	27,342
Interest	212,981	306,352	210,070	185,034	323,806
Student activities	321,686	279,663	257,654	240,278	242,785
Other local revenues	904,610	958,946	1,176,120	1,433,500	1,036,089
Subtotal local revenue	\$ 45,002,262	\$ 43,308,986	\$ 42,208,151	\$ 38,403,367	\$35,942,788
State sources					
State foundation aid	\$ 44,937,511	\$ 37,662,216	\$ 45,392,552	\$ 45,809,960	\$42,708,273
Instructional support	0	0	174,406	182,466	183,625
AEA flowthrough	4,922,517	4,802,377	4,321,171	4,106,863	3,803,870
Other state revenue	10,546,522	9,941,876	10,141,446	6,993,167	4,912,063
Subtotal state revenue	\$ 60,406,550	\$ 52,406,469	\$ 60,029,575	\$ 57,092,456	\$51,607,831
Federal sources					
Title I	\$ 1,667,226	\$ 1,685,273	\$ 1,665,591	\$ 1,630,564	\$ 1,347,870
Other federal revenue	7,663,954	10,884,504	5,029,067	2,666,262	2,112,513
Subtotal federal revenue	\$ 9,331,180	\$ 12,569,777	\$ 6,694,658	\$ 4,296,826	\$ 3,460,383
Other sources	\$ 611,753	\$ 406,526	\$ 407,252	\$ 238,586	\$ 199,506
Total revenue	\$115,351,745	\$108,691,758	\$109,339,636	\$100,031,235	\$91,210,508

Source: District Financial Records

Table 6

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

2006	2005	2004	2003	2002
\$29,605,400	\$26,909,744	\$25,028,794	\$24,533,781	\$23,157,761
1,591,829	1,522,456	1,236,802	1,430,406	1,459,144
28,613	34,366	30,411	29,636	36,812
359,018	179,315	144,928	236,972	346,007
337,557	311,667	313,304	318,861	334,159
1,270,377	1,199,592	1,023,635	1,186,424	1,005,603
<u>\$33,192,794</u>	<u>\$30,157,140</u>	<u>\$27,777,874</u>	<u>\$27,736,080</u>	<u>\$26,339,486</u>
\$40,133,528	\$37,225,810	\$34,862,444	\$34,147,120	\$32,655,486
185,665	180,835	191,977	192,829	212,780
3,532,385	3,307,910	3,233,844	3,337,833	3,301,539
3,941,314	3,300,989	3,037,374	3,191,982	3,608,858
<u>\$47,792,892</u>	<u>\$44,015,544</u>	<u>\$41,325,639</u>	<u>\$40,869,764</u>	<u>\$39,778,663</u>
\$ 1,187,939	\$ 1,182,778	\$ 1,158,797	\$ 1,189,294	\$ 834,797
2,442,696	1,853,208	1,605,901	1,485,420	1,191,666
<u>\$ 3,630,635</u>	<u>\$ 3,035,986</u>	<u>\$ 2,764,698</u>	<u>\$ 2,674,714</u>	<u>\$ 2,026,463</u>
\$ 125,987	\$ 15,182	\$ 13,944	\$ 13,307	\$ 16,903
<u>\$84,742,308</u>	<u>\$77,223,852</u>	<u>\$71,882,155</u>	<u>\$71,293,865</u>	<u>\$68,161,515</u>

Table 7

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

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Instruction	\$ 73,454,458	\$ 74,290,782	\$ 73,729,323	\$ 68,869,827
Student services	5,034,660	5,053,316	5,093,057	4,893,096
Instructional staff services	3,566,495	3,422,804	3,552,175	3,755,466
Administration services	12,875,379	10,602,780	10,349,190	10,428,962
Operation and maintenance of plant services	8,406,122	8,554,178	8,958,199	9,118,255
Transportation services	4,003,962	3,465,091	3,019,418	3,145,333
Non-instructional services	155,648	306,817	93,675	143,549
Facilities acquisition	1,471,553	3,547,438	3,718,729	6,024,792
Debt service:				
Principal	8,710,000	33,299,833	7,466,208	4,496,208
Interest	523,617	1,007,098	1,482,355	1,675,126
AEA flowthrough	4,922,517	4,802,377	4,321,171	4,106,863
Other	1,037	316,635	229	25,690
Total expenditures	\$123,125,448	\$148,669,149	\$121,783,729	\$116,683,167
Debt service as a percentage of noncapital expenditures	7.59%	23.6%	7.58%	5.58%

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 5 in the Notes to the Financial Statements.

Table 7

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

2007	2006	2005	2004	2003	2002
\$ 63,243,308	\$ 59,013,311	\$ 54,217,044	\$49,558,669	\$46,218,275	\$45,904,747
4,422,022	4,285,632	3,944,056	3,753,351	5,737,780	3,193,569
3,615,550	4,135,111	3,960,303	3,579,280	3,372,238	3,728,985
10,120,152	9,499,497	8,165,361	7,615,556	5,014,081	7,162,474
8,564,905	8,312,753	6,382,867	6,237,741	6,214,273	5,874,324
3,729,525	3,364,702	3,108,408	3,006,514	2,832,057	2,680,612
133,012	166,235	183,046	236,125	221,806	173,418
18,839,199	21,353,125	29,054,751	7,451,272	4,473,750	2,375,210
1,036,209	101,208	7,000,000	0	0	0
1,542,704	1,236,956	491,732	0	0	0
3,803,870	3,532,385	3,307,910	3,233,844	3,337,833	3,301,539
105,796	26,248	0	0	0	0
\$119,156,252	\$115,027,163	\$119,815,478	\$84,672,352	\$77,422,093	\$74,394,878
2.57%	1.43%	8.25%	0.00%	0.00%	0.00%

Table 8

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

(modified basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Instruction:				
Regular	\$ 38,569,286	\$ 39,316,368	\$ 40,417,644	\$ 38,358,714
Special	21,514,318	22,216,791	22,579,460	19,516,753
Other	10,389,358	9,951,775	7,303,035	8,210,378
Total Instruction	\$ 70,472,962	\$ 71,484,934	\$ 70,300,139	\$ 66,085,845
Student Support Services:				
Attendance and social work	\$ 245,310	\$ 242,555	\$ 216,417	\$ 213,433
Guidance services	2,588,620	2,506,763	2,628,026	2,583,096
Health and psychological services	1,854,693	2,003,904	1,952,039	1,802,329
Speech, pathology, & audiology	258,457	253,437	248,044	252,735
Total Student Support Services	\$ 4,947,080	\$ 5,006,659	\$ 5,044,526	\$ 4,851,593
Staff Instruction Services:				
Improvement of instruction	\$ 1,564,958	\$ 1,312,805	\$ 1,502,253	\$ 1,743,510
Library media	1,930,039	2,026,201	1,961,782	1,936,232
Instruction-related technology	3,713	3,381	5,285	349
Total Staff Instruction Services	\$ 3,498,710	\$ 3,342,387	\$ 3,469,320	\$ 3,680,091
General Administration Services:				
Board of education	\$ 123,341	\$ 111,715	\$ 152,068	\$ 116,152
Executive administration	1,069,273	1,110,061	1,039,931	929,460
Special area administration	311,894	466,575	395,637	342,743
Total General Administration Services	\$ 1,504,508	\$ 1,688,351	\$ 1,587,636	\$ 1,388,355
School Administration Services	\$ 5,416,059	\$ 5,507,383	\$ 5,529,464	\$ 5,600,024
Business & Central Services:				
Business administration fiscal	\$ 1,188,291	\$ 1,110,037	\$ 1,091,848	\$ 1,187,387
Printing, publishing, & duplicating	371,377	297,494	306,609	415,914
Public information	110,362	107,253	107,409	151,130
Personnel	217,204	201,459	188,015	189,884
Administrative technology	1,128,712	1,203,563	1,159,867	1,109,396
Total Business & Central Services	\$ 3,015,946	\$ 2,919,806	\$ 2,853,748	\$ 3,053,711
Operation and Maintenance of Plant	\$ 7,650,801	\$ 8,018,101	\$ 8,243,558	\$ 8,322,151
Student Transportation	\$ 3,171,723	\$ 2,811,825	\$ 2,741,183	\$ 2,897,710
Central Support	\$ 0	\$ 0	\$ 0	\$ 0
Community Service Operations	\$ 91,329	\$ 247,508	\$ 15,269	\$ 88,352
Funds Transfer	\$ 1,851	\$ 4,148	\$ 9,648	\$ 6,150
AEA Flowthrough	\$ 4,922,517	\$ 4,802,377	\$ 4,321,171	\$ 4,106,863
Total expenditures	\$104,693,486	\$105,833,479	\$104,115,662	\$100,080,845
Percentage Increase (Decrease)	(1.08%)	1.65%	4.03%	8.50%

Source: District Financial Records

Table 8

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

2007	2006	2005	2004	2003	2002
\$35,059,099	\$33,274,986	\$29,148,693	\$27,474,796	\$26,043,830	\$25,787,127
17,742,545	16,891,696	18,062,783	16,329,878	15,219,787	14,912,559
7,396,413	6,345,494	3,115,198	3,110,542	2,816,168	2,998,675
\$60,198,057	\$56,512,176	\$50,326,674	\$46,915,216	\$44,079,785	\$43,698,361
\$ 183,463	\$ 147,791	\$ 150,878	\$ 148,893	\$ 70,266	\$ 70,670
2,414,892	2,374,275	2,225,657	2,117,862	2,026,659	1,924,608
1,549,048	1,494,243	1,318,042	1,258,221	1,162,398	1,086,895
199,376	225,371	225,793	207,690	68,941	77,328
\$ 4,346,779	\$ 4,241,680	\$ 3,920,370	\$ 3,732,666	\$ 3,328,264	\$ 3,159,501
\$ 1,617,242	\$ 1,280,695	\$ 2,306,189	\$ 2,004,643	\$ 1,971,054	\$ 2,283,693
1,940,853	1,886,064	1,595,313	1,548,446	1,510,533	1,436,415
3,693	494,209	0	0	0	0
\$ 3,561,788	\$ 3,660,968	\$ 3,901,502	\$ 3,553,089	\$ 3,481,587	\$ 3,720,108
\$ 113,031	\$ 101,427	\$ 87,987	\$ 100,820	\$ 188,082	\$ 99,710
865,829	824,070	528,747	491,586	322,636	343,308
321,244	353,238	0	0	0	0
\$ 1,300,104	\$ 1,278,735	\$ 616,734	\$ 592,406	\$ 510,718	\$ 443,018
\$ 5,296,832	\$ 4,894,650	\$ 4,457,028	\$ 4,131,948	\$ 3,985,560	\$ 3,876,320
\$ 1,140,121	\$ 1,058,216	\$ 751,017	\$ 732,334	\$ 854,761	\$ 864,461
432,423	401,308	399,017	398,632	363,370	446,935
125,116	130,467	7,016	0	0	0
179,552	174,671	266,792	0	0	0
1,177,286	1,119,177	991,319	0	0	0
\$ 3,054,498	\$ 2,883,839	\$ 2,415,161	\$ 1,130,966	\$ 1,218,131	\$ 1,311,396
\$ 7,899,172	\$ 7,496,659	\$ 6,348,564	\$ 6,096,635	\$ 6,025,692	\$ 5,728,098
\$ 2,707,252	\$ 2,842,768	\$ 2,557,825	\$ 2,444,137	\$ 2,316,008	\$ 2,225,809
\$ 0	\$ 0	\$ 0	\$ 1,033,807	\$ 1,024,415	\$ 950,096
\$ 74,089	\$ 101,085	\$ 180,307	\$ 178,189	\$ 176,097	\$ 144,800
\$ 1,008	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 3,803,870	\$ 3,532,385	\$ 3,307,910	\$ 3,233,844	\$ 3,337,833	\$ 3,301,539
\$92,243,449	\$87,444,945	\$78,032,075	\$73,042,903	\$69,484,090	\$68,559,046
5.49%	12.06%	6.83%	5.12%	1.35%	6.95%

Table 9

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)

	Fiscal Year			
	2011	2010	2009	2008
Excess of revenues over (under) expenditures	\$ 9,317,799	\$(22,206,272)	\$4,371,245	\$ 913,786
Other financing sources (uses):				
Sales of property and equipment	\$ 800,677	\$ 23,631	\$ 82,295	\$ 133,428
Operating transfers in	9,234,683	12,321,591	8,936,054	7,776,538
Operating transfers out	(8,947,627)	(11,984,923)	(8,657,163)	(7,653,198)
Revenue bonds net proceeds	0	28,717,997		0
Total other financing sources (uses)	\$ 1,087,733	\$ 29,078,296	\$ 361,186	\$ 256,768
Net change in fund balance	\$10,405,532	\$ 6,872,024	\$4,732,431	\$ 1,170,554

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**

2007	2006	2005	2004	2003	2002
\$(10,605,873)	\$(13,459,965)	\$(26,597,975)	\$1,017,097	\$(289,758)	\$(542,354)
\$ 65,016	\$ 7,206	\$ 253,452	\$ 503,494	\$ 17,249	\$ 16,903
3,405,251	4,878,923	7,608,211	1,721	0	0
(3,280,527)	(4,785,007)	(7,608,211)	(1,721)	0	0
8,566,385	9,871,290	33,209,794	1,320,817	0	0
\$ 8,756,125	\$ 9,972,412	\$ 33,463,246	\$1,824,311	\$ 17,249	\$ 16,903
\$ (1,849,748)	\$ (3,487,553)	\$ 6,865,271	\$2,841,408	\$(272,509)	\$(525,451)

Table 10

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

(Unaudited)

Tax Levy Year	Fiscal Year	Actual Value					Less Exemptions	Total Taxable Value	Total Direct Rate (*)
		Residential Property	Commercial Property	Other Property	Total Property				
2009	2011	\$3,460,202,341	\$1,083,065,132	\$507,827,323	\$5,051,094,796	\$1,915,108,686	\$3,135,986,110	\$16.87685	
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	

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.

Table 11

**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				Overlapping Rates				
		General Purposes	Capital Purposes	Management Purposes	Total	County	Community College	Board of Education and Independents	City of Dubuque	City of Asbury
2009	2011	\$15.25931	\$1.00000	\$0.61754	\$16.87685	\$6.50193	\$1.03532	\$0.61503	\$10.02741	\$10.30237
2008	2010	\$15.14980	\$1.00000	\$0.73369	\$16.88349	\$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	\$0.56888	\$13.50444	\$5.73669	\$0.57072	\$0.54806	\$10.76080	\$ 8.77298

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

Table 12

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	2011 (1)			2002 (2)		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Peninsula Gaming Company LLC	\$ 56,784	1	1.81%			
Deere & Co.	\$ 36,253	2	1.16%			
Kennedy Mall	\$ 26,464	3	0.84%	\$ 19,990	1	0.93%
ITC Midwest LLC	\$ 24,236	4	0.77%			
Progressive Processing LLC	\$ 21,398	5	0.68%			
Otto A LLC	\$ 17,500	6	0.56%			
Nordstrom, Inc.	\$ 16,884	7	0.54%	\$ 15,532	3	0.72%
McGraw Hill	\$ 14,440	8	0.46%	\$ 7,730	7	0.36%
Medical Associates Realty	\$ 13,517	9	0.43%	\$ 17,886	2	0.83%
Walter Development	\$ 12,724	10	0.41%			
US West Communications				\$ 8,575	5	0.40%
A.Y. McDonald Manufacturing Co.				\$ 6,904	9	0.32%
Plaza 20 Inc.				\$ 8,733	4	0.41%
American Trust & Savings Bank				\$ 7,379	8	0.34%
Wal-Mart				\$ 7,744	6	0.36%
Lowe's Home Center, Inc.				\$ 6,278	10	0.29%
Total	\$240,200		\$7.66%	\$106,751		4.96%

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
2010-2011	2009	\$46,298,936	\$46,256,166	99.91%	\$31,049	\$46,287,215	\$99.97%
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%

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

Table 14

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

(Unaudited)

Fiscal Year	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	ISCAP Warrants Payable	Notes Payable	General Obligation Bonds	Sales Tax Revenue Bonds					
2011	\$ 0	\$ 0	\$ 0	\$19,650,000	\$ 0	\$19,650,000	0.5925%	\$211	
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	

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.

Table 15

Dubuque Community School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
City of Asbury	\$ 12,609,310	100.00%	\$12,609,310
City of Dubuque	125,459,614	100.00%	125,459,614
Dubuque County	50,001	77.85%	38,926
Northeast Iowa Community College	64,587,325	77.93%	<u>50,332,902</u>
Subtotal, overlapping debt			\$188,440,752
District direct debt			<u>19,650,000</u>
Total direct and overlapping debt			<u>\$208,090,752</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)

	Fiscal Year			
	2011	2010	2009	2008
Debt Limit	\$150,137,044	\$143,129,676	\$136,679,349	\$126,398,436
Gross debt applicable to limit	\$ 19,650,000	\$ 28,360,000	\$ 33,299,833	\$ 40,766,042
Reserves for payments on debt	(5,704,327)	(7,875,854)	(6,209,000)	(6,209,000)
Total net debt applicable to limit	<u>\$ 13,945,673</u>	<u>\$ 20,484,146</u>	<u>\$ 27,090,833</u>	<u>\$ 34,557,042</u>
Legal debt margin	<u>\$136,191,371</u>	<u>\$122,645,530</u>	<u>\$109,588,516</u>	<u>\$ 91,841,394</u>
Total net debt applicable to the limit as a percentage of debt limit	9.3%	14.3%	19.8%	27.3%

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 2011

Actual taxable value (a)	\$3,002,740,880
Debt limit (5% of assessed value) (b)	150,137,044
Debt applicable to limit	<u>(13,945,673)</u>
Legal debt margin	<u>\$ 136,191,371</u>

Table 16

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

2007	2006	2005	2004	2003	2002
\$123,409,322	\$118,853,099	\$114,819,315	\$110,030,132	\$107,471,654	\$100,011,779
\$ 45,262,250	\$ 37,708,458	\$ 27,809,667	\$ 1,320,817	\$ 0	\$ 0
(4,559,000)	(3,700,000)	(2,700,000)	0	0	0
\$ 40,703,250	\$ 34,008,458	\$ 25,109,667	\$ 1,320,817	\$ 0	\$ 0
\$ 82,706,072	\$ 84,844,641	\$ 89,709,648	\$108,709,315	\$107,471,654	\$100,011,779
33.0%	28.6%	21.9%	1.2%	0.0%	0.0%

Table 17

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

(Unaudited)

Fiscal Year	Actual Sales Tax Revenue	Debt Service			Estimated Debt Service and Coverage on the Bonds (without Revenue Growth)			Estimated Debt Service and Coverage on the Bonds (with Revenue Growth)		
		Debt Service		Coverage	Estimated Collection	Debt Service		Estimated Collection	Debt Service	
		Principal	Interest			Combined P & I	Estimated Coverage		Combined P & I	Estimated Coverage
2000	\$ 0	\$ 0	\$ 0	N/A						
2001	\$ 0	\$ 0	\$ 0	N/A						
2002	\$ 0	\$ 0	\$ 0	N/A						
2003	\$ 19,380	\$ 0	\$ 0	N/A						
2004	\$ 7,560,094	\$ 0	\$ 0	N/A						
2005	\$ 9,971,691	\$ 0	\$ 461,880	21.59						
2006	\$ 9,815,987	\$ 101,208	\$ 1,236,956	7.34						
2007	\$ 10,249,312	\$ 1,036,208	\$ 1,542,704	3.97						
2008	\$ 10,567,745	\$ 4,496,208	\$ 1,675,126	1.71						
2009	\$ 10,106,400	\$ 7,466,208	\$ 1,479,355	1.13						
2010	\$ 10,420,491	\$ 3,206,208	\$ 1,007,098	2.47						
2011	\$ 10,578,600	\$ 8,710,000	\$ 523,617	1.21						
2012					\$ 11,479,424	\$ 7,817,750	1.468	\$ 11,479,424	\$ 7,817,750	1.468
2013					\$ 10,782,599	\$ 7,835,500	1.376	\$ 10,938,332	\$ 7,835,500	1.396
2014					\$ 9,271,015	\$ 1,010,000	9.179	\$ 9,529,920	\$ 1,010,000	9.436
2015					\$ 8,874,070			\$ 9,213,020		
2016					\$ 8,874,070			\$ 9,335,201		
2017					\$ 8,874,070			\$ 9,524,180		
2018					\$ 8,874,070			\$ 9,718,132		
2019					\$ 8,874,070			\$ 9,912,494		
2020					\$ 8,874,070			\$ 10,110,744		
2021					\$ 8,874,070			\$ 10,312,959		
2022					\$ 8,874,070			\$ 10,519,218		
2023					\$ 8,874,070			\$ 10,729,603		
2024					\$ 8,874,070			\$ 10,944,195		
2025					\$ 8,874,070			\$ 11,163,079		
2026					\$ 8,874,070			\$ 11,386,340		
2027					\$ 8,874,070			\$ 11,614,067		
2028					\$ 8,874,070			\$ 11,846,348		
2029					\$ 8,874,070			\$ 12,083,275		
2030					\$ 6,072,902			\$ 8,418,327		

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.

Table 18

**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)
2011	93,072	\$3,316,659,000	\$35,635	N/A	10,517.4
2010	92,589	\$3,265,881,000	\$35,273	6.0%	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

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 2003

(Unaudited)

Taxpayer	2011 (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%			
Finley Hospital	920	5	1.83%	760	6	1.41%
Eagle Window & Door	750	6	1.49%	700	7	1.30%
Medical Associates Clinic, P.C.	743	7	1.48%	1,007	5	1.87%
City of Dubuque	604	8	1.20%	519	10	0.97%
Prudential Retirement (3)	550	9	1.10%	625	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

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

(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Supervisory:				
Superintendent	1.00	1.00	1.00	1.00
Associate superintendent	1.00	1.00	1.00	1.00
Principals	18.50	19.50	19.50	19.50
Assistant principals	12.00	11.00	14.00	14.00
All other administrators	7.50	10.50	11.50	13.25
Total supervisory	40.00	43.00	47.00	48.75
Instruction:				
Teachers - regular program	590.53	638.87	639.09	675.16
Teachers - special education program	159.77	171.96	174.36	170.00
Paraeducators - regular program	75.57	53.82	54.38	56.51
Paraeducators - special education program	244.01	260.71	270.88	231.90
Total instruction	1,069.88	1,125.36	1,138.71	1,133.57
Student services:				
Guidance counselors	31.00	30.00	31.00	34.00
Nurses	18.20	21.40	21.40	21.40
Media specialists	19.90	21.20	21.20	21.19
Other student services staff	9.00	9.00	9.00	10.00
Total student services	78.10	81.60	82.60	86.59
Support and administration:				
Clerical/secretarial	79.00	79.88	85.57	85.44
Custodial, maintenance, and mechanics	103.00	111.00	112.00	118.00
Food service	78.39	78.25	78.58	77.51
Bus drivers, attendants and truckers	61.66	60.37	62.70	62.27
Other support services staff	12.50	12.50	11.00	11.00
Total support and administration	334.55	342.00	349.85	354.22
District Totals	1,522.53	1,591.96	1,618.16	1,623.13

Source: District Payroll Records

Table 20

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

2007	2006	2005	2004	2003	2002
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	0.00
19.00	19.00	19.00	18.00	18.00	18.00
15.00	13.00	10.00	10.00	11.00	11.00
13.75	15.00	15.00	14.00	9.00	12.00
49.75	49.00	46.00	44.00	40.00	42.00
654.68	636.07	585.21	566.10	541.35	541.29
161.50	156.80	147.41	143.50	139.50	147.00
56.66	53.91	49.90	43.78	43.17	41.05
226.66	215.66	199.62	175.13	172.69	164.21
1,099.50	1,062.44	982.14	928.51	896.71	893.55
33.00	33.00	32.00	31.00	29.91	30.00
19.40	19.40	18.20	18.20	17.20	17.20
20.69	20.00	19.20	19.41	19.51	18.59
10.00	9.28	12.16	10.16	9.28	9.52
83.09	81.68	81.56	78.77	75.90	75.31
86.44	83.88	77.88	75.88	73.13	72.13
114.00	114.00	103.00	100.00	102.00	102.00
75.32	74.46	67.43	65.30	64.77	63.35
59.71	60.47	56.46	55.65	54.42	55.67
11.00	11.00	11.00	11.00	12.00	13.00
346.47	343.81	315.77	307.83	306.32	306.15
1,578.81	1,536.93	1,425.47	1,359.11	1,318.93	1,317.01

Table 21

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

(Unaudited)

Fiscal Year	Enrollment	General Fund Expenditures	Cost Per Pupil	Percentage Change	Total Governmental Activities Expenses	Cost Per Pupil	Percentage Change	FTE Teaching Staff	Pupil-Teacher Ratio	% of Students Receiving Free or Reduced-Priced Meals
2011	10,517	\$104,693,486	\$9,955	0.62%	\$115,444,822	\$10,977	0.40%	750.30	14.02	37.50%
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%

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

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Preschool:				
Jones Hand-in-Hand (1963)				
Square feet	26,427	26,427	26,427	26,427
Capacity	68	68	184	184
Enrollment	51	61	71	155
Elementary:				
Audubon (1973)				
Square feet	37,992	37,992	37,992	37,992
Capacity	336	336	390	390
Enrollment	259	309	284	292
Bryant (1940)				
Square feet	30,724	30,724	30,724	30,724
Capacity	263	263	390	390
Enrollment	316	315	321	330
Carver (2007)				
Square feet	66,202	66,202	66,202	66,202
Capacity	524	524	624	624
Enrollment	562	497	435	416
Eisenhower (1970)				
Square feet	63,455	63,455	63,455	63,455
Capacity	460	460	624	624
Enrollment	547	557	547	527
Fulton (1939)				
Square feet	35,098	35,098	35,098	35,098
Capacity	264	264	312	312
Enrollment	274	271	215	252
Hoover (1970)				
Square feet	28,663	28,663	28,663	28,663
Capacity	231	231	312	312
Enrollment	258	278	281	283

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

2007	2006	2005	2004	2003	2002
26,427	26,427	26,427	26,427	26,427	26,427
184	184	400	400	400	400
164	126	350	277	293	277
37,992	37,992	37,992	37,992	37,992	37,992
390	390	390	390	390	390
344	337	370	368	389	359
30,724	30,724	30,724	30,724	30,724	30,724
390	390	390	390	390	390
317	309	339	318	315	312
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	63,455	61,663	61,663
624	624	624	624	624	624
581	589	644	599	613	614
35,098	35,098	35,098	35,098	35,098	35,098
312	312	312	312	312	312
265	195	298	307	318	316
28,663	28,663	28,663	28,663	28,663	28,663
312	312	312	312	312	312
336	318	353	334	328	298

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Elementary:				
Irving (1951)				
Square feet	79,064	79,064	79,064	59,755
Capacity	492	492	624	624
Enrollment	525	494	477	492
Kennedy (1965)				
Square feet	52,953	52,953	52,953	52,953
Capacity	491	491	624	624
Enrollment	511	508	491	481
Lincoln (1940)				
Square feet	37,692	37,692	37,692	37,692
Capacity	296	296	390	390
Enrollment	286	374	336	320
Marshall (1939)				
Square feet	33,956	33,956	33,956	33,956
Capacity	248	248	312	312
Enrollment	249	263	267	253
Prescott (Demolished and Rebuilt 2006)				
Square feet	65,836	65,836	65,836	65,836
Capacity	375	375	312	312
Enrollment	298	266	265	272
Sageville (1956)				
Square feet	41,612	41,612	41,612	41,612
Capacity	299	299	390	390
Enrollment	278	281	313	320
Table Mound (1960)				
Square feet	51,758	51,758	51,758	51,758
Capacity	370	370	546	546
Enrollment	422	435	449	464

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2007	2006	2005	2004	2003	2002
47,655	47,655	47,655	47,655	45,863	45,863
624	624	624	624	624	624
519	535	604	613	571	540
52,953	52,953	52,953	51,161	48,736	48,736
624	624	624	624	624	624
662	613	644	608	571	528
37,692	37,692	37,692	37,692	37,692	37,692
390	390	390	390	390	390
333	300	438	372	373	385
33,956	33,956	33,956	33,956	33,956	33,956
312	312	312	312	312	312
282	286	362	347	339	343
65,836	30,547	30,547	30,547	30,547	30,547
312	312	312	312	312	312
246	273	277	268	222	230
41,612	41,612	41,612	41,612	41,612	41,612
390	390	390	390	390	390
327	302	354	357	347	357
51,758	51,758	51,758	51,758	51,758	35,458
546	546	546	546	546	546
400	397	437	426	398	379

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Middle Schools:				
Jefferson (1922)				
Square feet	89,948	89,948	89,948	89,948
Capacity	620	620	775	775
Enrollment	583	600	616	607
Roosevelt (2005)				
Square feet	206,000	206,000	206,000	206,000
Capacity	1,050	1,050	1,400	1,400
Enrollment	1,162	1,104	1,113	1,163
Washington (1920)				
Square feet	92,830	92,830	92,830	92,830
Capacity	657	657	775	775
Enrollment	637	642	639	692
High Schools:				
Central Alternative (1906)				
Square feet	---	24,202	24,202	24,202
Capacity	---	190	180	180
Enrollment	---	134	119	140
Hempstead (1970)				
Square feet	261,268	261,268	261,268	261,268
Capacity	1,657	1,657	1,920	1,920
Enrollment	1,756	1,727	1,823	1,829
Senior (1920)				
Square feet	286,611	286,611	286,611	286,611
Capacity	1,657	1,657	1,920	1,920
Enrollment	1,542	1,516	1,468	1,459

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

Central Alternative school building was sold in November of 2010.

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2007	2006	2005	2004	2003	2002
89,948	89,948	89,948	89,948	89,948	89,948
775	775	775	775	775	775
654	720	781	742	785	775
206,000	206,000	N/A	N/A	N/A	N/A
1,400	1,400	N/A	N/A	N/A	N/A
1,146	1,107	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
682	724	835	813	751	713
24,202	24,202	24,202	24,202	24,202	24,202
180	180	180	180	180	180
146	164	171	170	165	170
258,988	256,112	242,962	242,962	242,962	242,962
1,920	1,920	1,920	1,920	1,920	1,920
1,797	1,718	1,666	1,586	1,559	1,510
286,611	286,611	286,611	286,611	286,611	286,611
1,920	1,920	1,920	1,920	1,920	1,920
1,563	1,583	1,620	1,548	1,516	1,488

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2011	2010	2009	2008
Other District Facilities:				
Forum (1979)				
Square feet	24,959	24,959	24,959	24,959
Warehouse/Central Kitchen (1981)				
Square feet	33,000	33,000	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**

2007	2006	2005	2004	2003	2002
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
2010 - 2011	\$27,645	\$59,990	\$42,888
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

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, 2011

Grantor/Program	CFDA Number	Grant Number	Expenditures
Direct:			
U.S. Department of Education:			
Fund for the Improvement of Education	84.215	FY11	<u>\$ 60,652</u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY11	\$ 251,831
National School Lunch Program	10.555	FY11	<u>2,067,918</u> *
			<u>\$2,319,749</u>
Team Nutrition Grant	10.574	FY11	<u>\$ 3,930</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Part A Clusters:			
Title I Grants to LEA	84.010	FY11	\$1,667,226
ARRA – Title I Grants to Local Education Agencies, Recovery Act	84.389	FY11	<u>709,590</u>
			<u>\$2,376,816</u>
Vocational Education – Basic Grants to States	84.048	FY11	<u>\$ 122,456</u>
Safe and Drug-free Schools and Communities – National Programs	84.184	FY11	<u>\$ 9,936</u>
Safe and Drug-free Schools and Communities – State Grants	84.186	FY11	<u>\$ 16,676</u>
Education for Homeless Children and Youth	84.196	FY11	<u>\$ 22,043</u>
Fund for the Improvement of Education	84.215	FY11	<u>\$ 61,864</u>
Advanced Placement Program	84.330	FY11	<u>\$ 2,767</u>
Improving Teacher Quality Grants	84.367	FY11	<u>\$ 470,160</u>
Grants for State Assessments and Related Activities	84.369	FY11	<u>\$ 68,757</u>
ARRA – Education of Homeless Children and Youth, Recovery Act	84.387	FY11	<u>\$ 1,885</u>
State Fiscal Stabilization Fund Clusters:			
ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act	84.394	FY11	\$ 635,444
ARRA – State Fiscal Stabilization Fund (SFSF) – Government Services Recovery Act	84.397	FY 11	<u>526,901</u>
			<u>\$1,162,345</u>
ARRA – Education Jobs	84.410	FY 11	<u>\$ 981,197</u>
Keystone Area Education Agency:			
Special Education Cluster Programs:			
Special Education – Grants to States	84.027	FY11	\$ 754,064
ARRA – Special Education – Grants to States, Recovery Act	84.391	FY11	<u>505,654</u>
			<u>\$1,259,718</u>
English Language Acquisition Grants	84.365	FY11	<u>\$ 12,074</u>
School Administrators of Iowa:			
Parental Assistance Centers	84.310	FY11	<u>\$ 444</u>
Total			<u>\$8,953,469</u>

* Includes \$376,433 of non-cash awards

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, 2011

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, 2011. 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, 2011

<u>Findings</u>	<u>Status</u>	<u>Corrective Action Plan or Other Explanation</u>
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Reportable Conditions in Internal Control

None

**Reportable Conditions in Administering
Federal Awards**

None

**Other Findings Related to Required
Statutory Reporting**

None

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, 2011, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated January 9, 2012. 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, 2011, 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 9, 2012

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 U.S. Office of Management and Budget (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, 2011. 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, 2011.

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. While we have expressed our conclusions on the District's responses, we did not audit Dubuque Community School District's responses and, accordingly, we express no opinion on the responses.

This report, a public record by law, 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 9, 2012

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

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) State Fiscal Stabilization Fund Cluster
 - * CFDA Number 84.394 - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)
 - * CFDA Number 84.397 - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act
 - 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 84.410 - Education Jobs Fund (Ed Jobs)
- (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, 2011

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-11 Certified Budget - Disbursements for the year ended June 30, 2011, exceeded the amended certified budget amounts in the support services 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-11 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-11 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-11 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-11 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.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

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

IV-F-11 Board Minutes - We noted no transaction requiring Board approval which had not been approved by the Board.

IV-G-11 Certified Enrollment - 3.3 variances in the basic enrollment data certified by the Iowa Department of Education were noted.

Recommendation - A system should be developed to reconcile the enrollment data collected by the District before submission to the Iowa Department of Education.

Response - We will attempt to develop such a system.

IV-H-11 Supplementary Weighting - No variances regarding supplementary weighting certified to the Iowa Department of Education were noted.

IV-I-11 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-11 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.

IV-K-11 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

IV-L-11 Statewide Sales, Services and Use Tax - No instances of noncompliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2011, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

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

Beginning balance		\$ 0
Statewide sales and services tax revenue		10,578,600
Expenditures/transfers out:		
School infrastructure:		
Buildings	\$ 74,693	
Equipment and technology services	2,134,971	
Debt service for school infrastructure:		
Revenue debt	<u>7,873,763</u>	10,083,427
Ending Balance		<u>\$ 495,173</u>

For the year ended June 30, 2011, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.