

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

For the Fiscal Year Ended June 30, 2012

OFFICIAL ISSUING REPORT

Kevin Kelleher

Executive Director of Finance and Business Services

OFFICE ISSUING REPORT

Business Office

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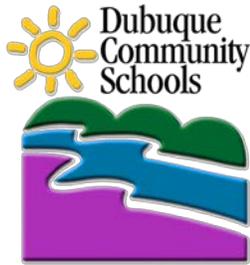
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INTRODUCTORY SECTION



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

Mr. Stan Rheingans
Superintendent of Schools

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

Phone: 563/552-3038

Fax: 563/552-3026

January 14, 2013

Mr. Mike Donohue, 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, 2012. 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 auditor's 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 2011 (the official count date) was 10,470 students. This District is the seventh largest of Iowa’s 351 public school systems. The District operates two regular high schools, three middle schools, and thirteen elementary schools.

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 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 below the state average. The per pupil property tax valuation ranks 222 out of 351 school districts in the state. The strong regional retail market continues to provide wealth to the community. The 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 2011-2012 was \$5,890. The allowable growth rate for FY 2012-13 has been set at 2.0%.

In light of these circumstances, the School District must continue to operate in the most efficient manner during 2012-2013 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 auditor's report on the basic financial statements, combining and individual fund statements, and other schedules is included in the financial section of this report.

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.

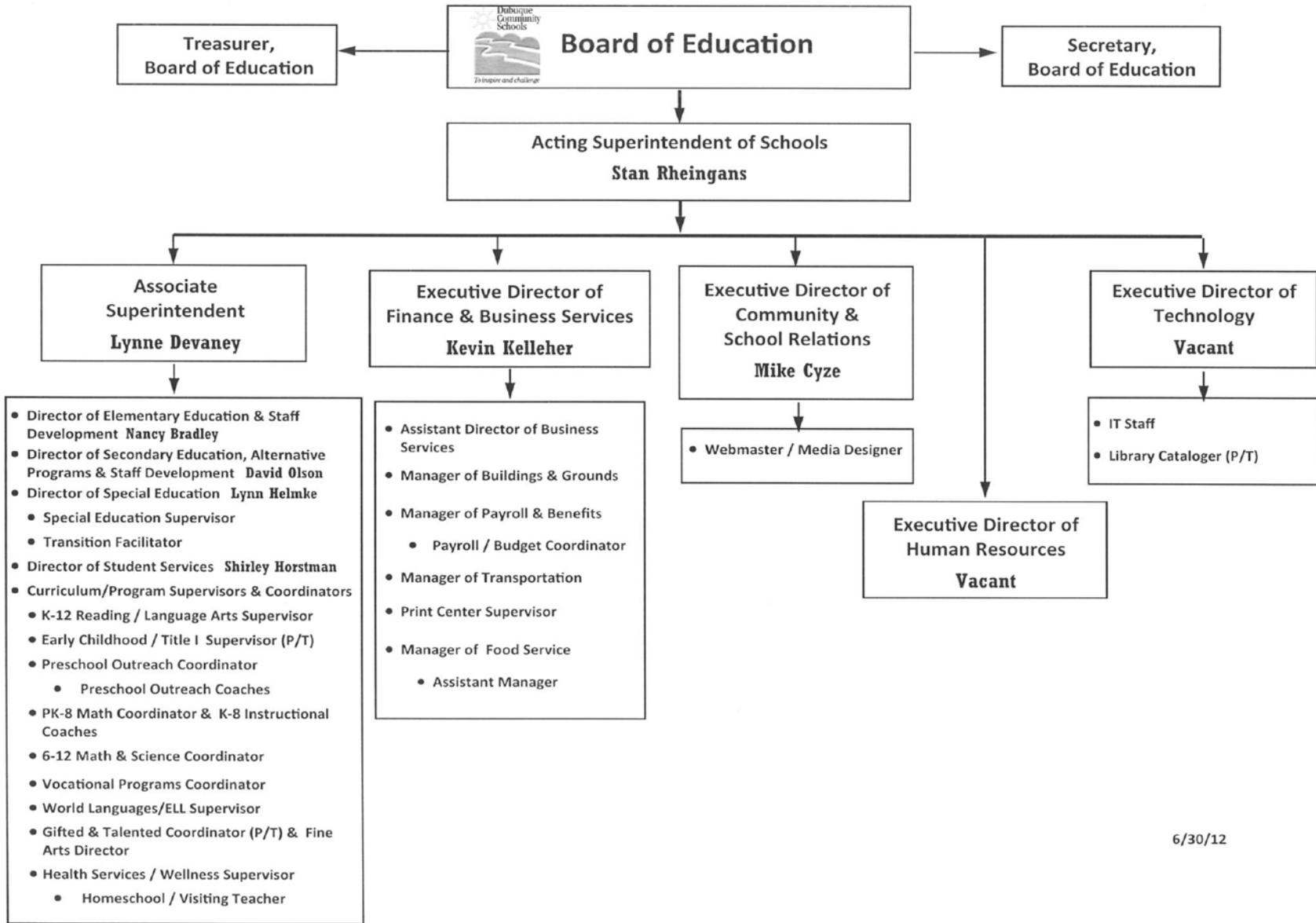
Very truly yours,



Kevin Kelleher
Executive Director of Finance and Business Services



Stan Rheingans
Superintendent of Schools



Dubuque Community School District

Board of Education

Year Ended June 30, 2012

Craig Beytien	President	September 2013
Mike Donohue	Vice-President	September 2015
George Davis	Board Member	September 2013
Otto Krueger	Board Member	September 2013
Tom Barton	Board Member	September 2015
Tami Ryan	Board Member	September 2015
Matt Strelo	Board Member	September 2015

Dubuque Community School District

School District Administration

Year Ended June 30, 2012

Stan Rheingans	Acting Superintendent of Schools
Lynne Devaney	Associate Superintendent
Kevin Kelleher	Executive Director of Finance & Business Services
Stan Rheingans	Executive Director of Human Resources

Directors

David Cagigal	Interim Director of Technology
Michael Cyze	Director Community/School Relations
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
Bill Burkhart	Manager of Buildings & Grounds
Mike Friend	Assistant Manager of Buildings and Grounds
Kris Hall	Manager of Transportation
Joann Franck	Interim Manager of Food Services

Dubuque Community School District

Consultants and Advisors

Year Ended June 30, 2012

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, 2012

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

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



Kevin Kelleher, SFO
Executive Director of Finance and Business
Dubuque Community SD
2300 Chaney Road
Dubuque, IA 52001

*The Certificate of Excellence in Financial Reporting Award
is presented to*

Dubuque Community School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

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



Sincerely,

Handwritten signature of John D. Musso in cursive.

Handwritten signature of Brian L. Mee in cursive.

Brian L. Mee, SFO, RSBA
President

Handwritten signature of John D. Musso in cursive.

John D. Musso, CAE, RSBA
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 Auditor's 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, 2012, 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, 2012, 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 14, 2013, 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.

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 18 through 31 and 64 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the

required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 ten years ended June 30, 2011, (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, and the accompanying Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 14, 2013

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2012

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, 2012. Please read this information in conjunction with the District's financial statements, which immediately follow this section.

2012 FINANCIAL HIGHLIGHTS

- Funding levels for Iowa K-12 school districts depend principally on two factors: first, changes in enrollment and second, changes in *per pupil district cost*. Of these two factors, changes in *per pupil district cost* normally have the larger impact on District funding. *Per pupil district cost* is an amount annually set by state government. This amount has historically been determined by applying a percentage increase to the prior year's amount. The percentage increase was 2.0% for FY 2012-13, 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. However, from October 2011 to 2012, there was an increase of 43 students. The last three years have seen a more stable enrollment. The Iowa Department of Education projects small district enrollment decreases over the next several years.
- General fund revenues increased by \$1.8 million (1.6%) in FY 2011-12. Major components of this change include a \$0.5 million increase in state aid, a \$1.9 million increase from real estate taxes and a \$0.6 million decrease in miscellaneous income.
- General fund expenses increased by \$3.0 million (2.8%) in this fiscal year. Salaries and benefits comprise 80.0% of general fund expenditures for FY 2011-12 as compared to 79.7% of general fund expenditures for FY 2010-11.
- General fund excess of revenues over expenses resulted in a \$9.5 million increase in fund balance and a \$9.2 million increase in cash/investments. Estimated unspent balance also increased by \$3.8 million.
- The District's total net assets increased by \$16.0 million (15.3%) this fiscal year primarily due to an increase in cash. The increase in cash resulted primarily from the cash reserve levy and the sales of revenue bonds.
- 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, 2012, 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, 2012

2012 FINANCIAL HIGHLIGHTS, continued

- Unspent balance amounts continue to improve. However, with 2.0% allowable growth for FY 2012-13 and unknown allowable growth percentage for FY 2013-14 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 decreased slightly in FY 2011-12. Miscellaneous revenue (composed primarily of grant revenue) decreased by \$0.6 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 \$11.4 million of sales tax revenue in FY 2011-12 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.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2012

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.

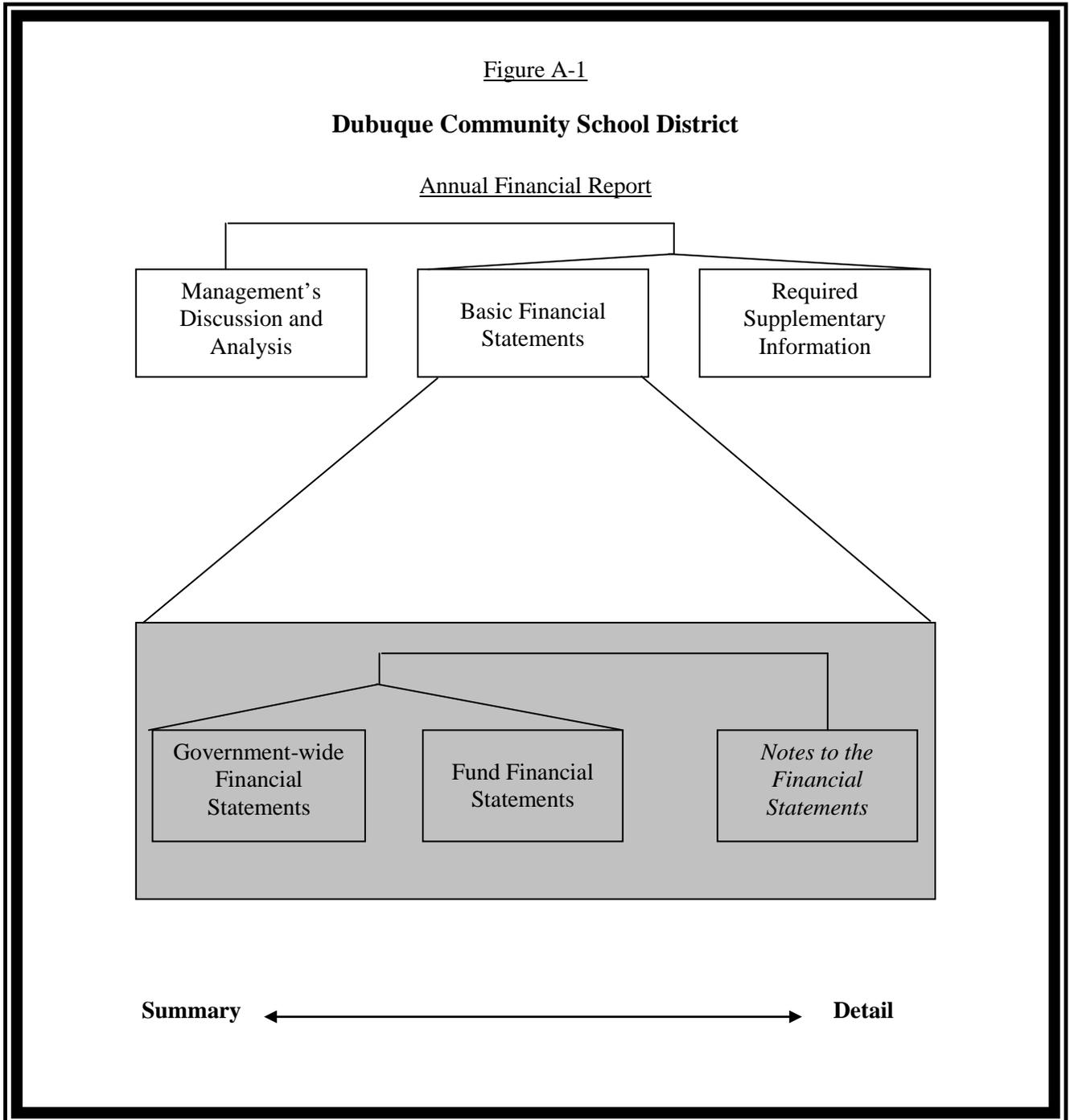
Other Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2012

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, 2012

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, 2012

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, 2012

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, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets at June 30, 2012, compared to June 30, 2011.

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

	Governmental Activities		Business-type Activities		Total District		Total Percentage Change 2011-12
	2011	2012	2011	2012	2011	2012	
Current and other assets	\$ 97,670,537	\$114,241,855	\$1,135,169	\$1,107,835	\$ 98,805,706	\$115,349,690	16.7%
Capital assets	92,296,181	94,882,082	311,734	280,661	92,607,915	95,162,743	2.8%
Total assets	\$189,966,718	\$209,123,937	\$1,446,903	\$1,388,496	\$191,413,621	\$210,512,433	10.0%
Current liabilities	\$ 69,761,033	\$ 69,127,819	\$ 75,772	\$ 80,178	\$ 69,836,805	\$ 69,207,997	(0.9%)
Long-term liabilities	15,965,267	19,797,383	125,342	176,406	16,090,609	19,973,789	24.1%
Total liabilities	\$ 85,726,300	\$ 88,925,202	\$ 201,114	\$ 256,584	\$ 85,927,414	\$ 89,181,786	3.8%
Net assets							
Invested in capital assets, net of related debt	\$ 72,646,181	\$ 72,432,082	\$ 311,734	\$ 280,661	\$ 72,957,915	\$ 72,712,743	(0.3%)
Restricted	18,245,575	25,752,325	0	0	18,245,575	25,752,325	41.1%
Unrestricted	13,348,662	22,014,328	934,055	851,251	14,282,717	22,865,579	60.1%
Total net assets	\$104,240,418	\$120,198,735	\$1,245,789	\$1,131,912	\$105,486,207	\$121,330,647	15.0%

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2012

Figure A-4 shows the change in net assets for the year ended June 30, 2012, compared to the year ended June 30, 2011.

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

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2011-12
	2011	2012	2011	2012	2011	2012	
Revenues							
Program revenues changes for services	\$ 4,517,007	\$ 4,480,633	\$2,505,477	\$2,471,310	\$ 7,022,484	\$ 6,951,943	(1.0%)
Operating grants & contributions	22,162,557	20,298,874	2,362,623	2,517,574	24,525,180	22,816,448	(7.0%)
Capital grants & contributions	61,864	0	0	0	61,864	0	(100.0%)
General revenues property taxes and other taxes	56,970,220	59,573,801	0	0	56,970,220	59,573,801	4.6%
Unrestricted state grants	47,873,056	49,804,874	0	0	47,873,056	49,804,874	4.0%
Other	1,145,600	1,012,933	13,222	6,034	1,158,822	1,018,967	(12.1%)
Total revenues	\$132,730,304	\$135,171,115	\$4,881,322	\$4,994,918	\$137,611,626	\$140,166,033	1.9%
Expenses							
Instruction	\$ 73,398,582	\$ 76,200,554	\$ 0	\$ 0	\$ 73,398,582	\$ 76,200,554	3.8%
Support services student and instructional services	8,498,372	9,250,998	0	0	8,498,372	9,250,998	8.9%
Administrative and business operations	12,704,945	11,285,684	0	0	12,704,945	11,285,684	(11.2%)
Maintenance and operations	8,123,156	8,800,056	0	0	8,123,156	8,800,056	8.3%
Transportation	3,511,033	4,040,587	0	0	3,511,033	4,040,587	15.1%
Non-instructional	157,526	134,228	4,609,057	4,829,167	4,766,583	4,963,395	4.1%
Other	9,051,208	9,500,688	287,054	279,628	9,338,262	9,780,316	4.7%
Total expenses	\$115,444,822	\$119,212,795	\$4,896,111	\$5,108,795	\$120,340,933	\$124,321,590	3.3%
Change in net assets	\$ 17,285,482	\$ 15,958,320	\$ (14,789)	\$ (113,877)	\$ 17,270,693	\$ 15,844,443	(8.3%)
Beginning net assets	86,954,936	104,240,418	1,260,578	1,245,789	88,215,514	105,486,207	19.6%
Ending net assets	\$104,240,418	\$120,198,738	\$1,245,789	\$1,131,912	\$105,486,207	\$121,330,650	15.0%

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2012

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
	2011	2012	2011-12	2011	2012	2011-12
Instruction	\$ 73,398,582	\$ 76,200,554	3.8%	\$53,207,362	\$57,764,984	8.6%
Support services						
student and instructional services	8,498,372	9,250,998	8.9%	7,514,982	8,125,449	8.1%
Administrative and business	12,704,945	11,285,684	(11.2%)	12,704,945	11,251,559	(11.4%)
Maintenance and operations	8,123,156	8,800,056	8.3%	7,975,322	8,701,608	9.1%
Transportation	3,511,033	4,040,587	15.1%	3,068,566	3,451,594	12.5%
Non-instructional	157,526	134,228	(14.8%)	103,526	134,228	29.7%
Other	9,051,208	9,500,688	5.0%	4,128,691	5,003,866	21.2%
Total	\$115,444,822	\$119,212,795	3.3%	\$88,703,394	\$94,433,288	6.5%

Business-Type Activities

District maintains only one activity within the business-type activities classification, and this is its school nutrition fund. School nutrition fund revenues increased by \$113,596, 2.33%, 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, 2012, total government fund balance was \$53,310,699.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2012

Governmental Fund Highlights

- The District's fund and cash/investment balances and unspent balance improved in the 2011-12 fiscal year. At June 30, 2012, the estimated unspent balance was \$15,773,727.
- Salaries and benefits comprise about 80.0% of the general fund expenditures. These expenditures increased \$2,649,636 due primarily to the negotiated settlements with the District's eight different bargaining units.
- The physical plant and equipment levy (PPEL) fund balance remained relatively constant in FY 2011-12. 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. 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 2012 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.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2012

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2012, the District had invested \$95 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 a 2.76% increase 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 \$4,321,523.

The largest increase in capital assets during the year resulted from continued construction of facilities funded by sales tax revenues. The District is collecting approximately \$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, 2012**

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2011-12
	2011	2012	2011	2012	2011	2012	
Land	\$ 7,252,362	\$ 7,252,362	\$ 0	\$ 0	\$ 7,252,362	\$ 7,252,362	0.0%
Construction in progress	5,153,174	3,858,790	0	0	5,153,174	3,858,790	(25.1%)
Buildings and improvements	71,329,701	73,644,517	0	0	71,329,701	73,644,517	3.3%
Land improvements	2,402,368	2,606,411	0	0	2,402,368	2,606,411	8.5%
Equipment	5,002,959	6,099,065	296,654	271,075	5,299,613	6,370,140	20.2%
Vehicles	1,155,617	1,420,937	15,080	9,586	1,170,697	1,430,523	22.2%
Total	\$92,296,181	\$94,882,082	\$311,734	\$280,661	\$92,607,915	\$95,162,743	2.8%

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.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2012

Long-term Debt

At June 30, 2012, the District had \$22,450,000 in revenue bond debt outstanding. This represents an increase of approximately 14.2% from the prior year and results from borrowing for new projects exceeding the amount of bond principal paid during the year. 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, 2012

	Total District		Total Change
	2012	2011	2011-12
Revenue bonds	\$22,450,000	\$19,650,000	\$2,800,000

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 \$5,000,000 budget reduction plan approved by the Board of Education in March of 2010. However, with 2.0% allowable growth for FY 2012-13 and unknown allowable growth percentage for FY 2013-14, the District will need to monitor expenditures and how they affect future years' unspent balance. The budget planning for the District becomes much more difficult when the State legislature does not approve the allowable growth rate in a timely manner. This is the case for FY 2013-14, as the legislature will be approving the allowable growth rate in the spring of 2013 which is the same time school budgets are due. This timing also makes it very difficult for the District to negotiate contracts for the upcoming year with the eight bargaining units. 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.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2012

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE, continued

- ◆ Upgrading outdated equipment in classrooms, science and industrial technology labs, print centers, and the transportation department.
- ◆ Restoration of site-based funding that was discontinued in prior years.

For years prior to 2008-09, the District's ISL rate was 5%. On February 3, 2009, the District's voters passed a referendum for a 10% ISL for fiscal years 2009-10 through 2018-19. This increases the District's spending authority by approximately \$2.3 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.
- Iowa school district funding faces many challenges in future years. Approximately \$62 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 2013-14 when compared to FY 2012-13 estimates. The state of the economy impacts Iowa general fund revenues. These revenues ultimately support state school aid. The economy of Iowa has slowly been improving which is reflected by the large cash balances at the state level. How that improvement will be reflected in school funding is yet to be determined.

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, 2012

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 61,235,435	\$ 1,018,021	\$ 62,253,456
Receivables:			
Property tax:			
Delinquent	425,693	0	425,693
Succeeding year	45,712,636	0	45,712,636
Accounts	75,561	0	75,561
Interest:			
Other	117,777	0	117,777
Due from other governments	6,038,514	0	6,038,514
Inventories	626,239	89,814	716,053
Security deposit	10,000	0	10,000
Total current assets	\$ 114,241,855	\$ 1,107,835	\$ 115,349,690
Non-current assets:			
Capital assets not being depreciated	\$ 11,111,152	\$ 0	\$ 11,111,152
Capital assets net of accumulated depreciation/amortization	83,770,930	280,661	84,051,591
Total non-current assets	\$ 94,882,082	\$ 280,661	\$ 95,162,743
Total assets	\$ 209,123,937	\$ 1,388,496	\$ 210,512,433
Liabilities:			
Current liabilities:			
Accounts payable	\$ 4,892,115	\$ 702	\$ 4,892,817
Salaries and benefits payable	8,940,188	0	8,940,188
Early retirement payable	1,277,920	0	1,277,920
Unearned revenue	45,810,933	79,476	45,890,409
Security Deposit Payable	10,000	0	10,000
Accrued interest payable	134,500	0	134,500
Compensated absences	462,163	0	462,163
Long-term debt due within one year	7,600,000	0	7,600,000
Total current liabilities	\$ 69,127,819	\$ 80,178	\$ 69,207,997
Long-term liabilities:			
Long-term debt due more than one year	\$ 14,850,000	\$ 0	\$ 14,850,000
Net OPEB liability	4,947,383	176,406	5,123,789
Total long-term liabilities	\$ 19,797,383	\$ 176,406	\$ 19,973,789
Total liabilities	\$ 88,925,202	\$ 256,584	\$ 89,181,786
Net assets:			
Invested in capital assets, net of related debt	\$ 72,432,082	\$ 280,661	\$ 72,712,743
Restricted for:			
Teacher salary supplement	259,010	0	259,010
Professional development	343,095	0	343,095
Market factor incentives	43,150	0	43,150
Four-year-old preschool state aid	335,054	0	335,054
Professional development for model core curriculum	416,944	0	416,944
Textbook aid for non-public students	1,115	0	1,115
Student activities	792,337	0	792,337
Management levy	874,726	0	874,726
Physical plant and equipment levy	2,300,070	0	2,300,070
Capital projects	13,475,077	0	13,475,077
Debt service	6,911,747	0	6,911,747
Unrestricted	22,014,328	851,251	22,865,579
Total net assets	\$ 120,198,735	\$ 1,131,912	\$ 121,330,647

See notes to financial statements.

Dubuque Community School District

Statement of Activities

Year Ended June 30, 2012

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	\$ 40,882,791	\$ 666,291	\$ 6,329,244	\$ 0	\$ (33,887,256)	\$ 0	\$ (33,887,256)
Special instruction	22,489,685	1,975,244	7,206,892	0	(13,307,549)	0	(13,307,549)
Other instruction	12,828,078	1,799,681	458,218	0	(10,570,179)	0	(10,570,179)
	\$ 76,200,554	\$4,441,216	\$13,994,354	\$ 0	\$ (57,764,984)	\$ 0	\$ (57,764,984)
Support services:							
Student services	\$ 5,262,498	\$ 0	\$ 622,279	\$ 0	\$ (4,640,219)	\$ 0	\$ (4,640,219)
Instructional staff services	3,988,500	0	503,270	0	(3,485,230)	0	(3,485,230)
Administration services	11,285,684	0	34,125	0	(11,251,559)	0	(11,251,559)
Operation & maintenance of plant services	8,800,056	0	98,448	0	(8,701,608)	0	(8,701,608)
Transportation services	4,040,587	39,417	549,576	0	(3,451,594)	0	(3,451,594)
	\$ 33,377,325	\$ 39,417	\$ 1,807,698	\$ 0	\$ (31,530,210)	\$ 0	\$ (31,530,210)
Non-instructional programs	\$ 134,228	\$ 0	\$ 0	\$ 0	\$ (134,228)	\$ 0	\$ (134,228)
AEA flowthrough							
Interest and other charges	\$ 4,496,822	\$ 0	\$ 4,496,822	\$ 0	\$ 0	\$ 0	\$ 0
Other post-employment benefits	461,569	0	0	0	(461,569)	0	(461,569)
Depreciation and other expenses (unallocated)*	1,432,116	0	0	0	(1,432,116)	0	(1,432,116)
	3,110,181	0	0	0	(3,110,181)	0	(3,110,181)
	\$ 9,500,688	\$ 0	\$ 4,496,822	\$ 0	\$ (5,003,866)	\$ 0	\$ (5,003,866)
Total governmental activities	\$119,212,795	\$4,480,633	\$20,298,874	\$ 0	\$ (94,433,288)	\$ 0	\$ (94,433,288)
Business-type activities:							
Non-instructional programs:							
Nutrition services	\$ 4,829,167	\$2,471,310	\$ 2,517,574	\$ 0	\$ 0	\$ 159,717	\$ 159,717
Total	\$124,041,962	\$6,951,943	\$22,816,448	\$ 0	\$ (94,433,288)	\$ 159,717	\$ (94,273,571)
General Revenues:							
Property tax levied for:							
General purposes					\$ 45,002,685	\$ 0	\$ 45,002,685
Capital outlay					3,135,590	0	3,135,590
Local option sales tax					11,435,526	0	11,435,526
Unrestricted state grants					49,804,874	0	49,804,874
Unrestricted investment earnings					455,973	6,034	462,007
Miscellaneous					281,764	0	281,764
Total general revenues					\$110,116,412	\$ 6,034	\$110,122,446
Transfers					275,196	(279,628)	(4,432)
Total general revenues and transfers					\$110,391,608	\$ (273,594)	\$110,118,014
Change in net assets					\$ 15,958,320	\$ (113,877)	\$ 15,844,443
Net assets beginning of year					104,240,418	1,245,789	105,486,207
Net assets end of year					\$120,198,738	\$1,131,912	\$121,330,650

* 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, 2012

	General	Capital Projects Fund	Debt Service Fund	Special Revenue Fund	Total
Assets					
Cash and pooled investment	\$35,640,952	\$15,820,694	\$6,859,500	\$2,914,289	\$ 61,235,435
Receivables:					
Property tax:					
Delinquent	383,836	26,323	0	15,534	425,693
Succeeding year	37,416,674	3,295,962	0	5,000,000	45,712,636
Accounts	75,561	0	0	0	75,561
Interest:					
Other	0	65,530	52,247	0	117,777
Due from other governments	4,320,463	1,718,051	0	0	6,038,514
Inventories	626,239	0	0	0	626,239
Security Deposit	10,000	0	0	0	10,000
Total assets	\$78,473,725	\$20,926,560	\$6,911,747	\$7,929,823	\$114,241,855
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 3,011,449	\$ 1,850,428	\$ 0	\$ 30,238	\$ 4,892,115
Salaries and benefits payable	8,940,188	0	0	0	8,940,188
Early retirement payable	48,361	0	0	1,229,559	1,277,920
Deferred revenue:	37,416,674	3,295,962	0	5,000,000	45,712,636
Succeeding year property tax					
Other	90,311	5,023	0	2,963	98,297
Security deposit payable	10,000	0	0	0	10,000
Total liabilities	\$49,516,983	\$ 5,151,413	\$ 0	\$6,262,760	\$ 60,931,156
Fund balances:					
Non-spendable:					
Inventory	\$ 626,239	\$ 0	\$ 0	\$ 0	\$ 626,239
Restricted for:					
Categorical funding:					
Teacher salary supplement	259,010	0	0	0	259,010
Professional development	343,095	0	0	0	343,095
Market factor incentives	43,150	0	0	0	43,150
Four-year-old preschool state aid	335,054	0	0	0	335,054
Professional development for model core curriculum	416,944	0	0	0	416,944
Textbook aid for non-public students	1,115	0	0	0	1,115
Debt service	0	0	6,911,747	0	6,911,747
Management levy purposes	0	0	0	874,726	874,726
Student activities	0	0	0	792,337	792,337
School infrastructure	0	13,475,077	0	0	13,475,077
Physical plant and equipment	0	2,300,070	0	0	2,300,070
Unassigned	26,932,135	0	0	0	26,932,135
Total fund balances	\$28,956,742	\$15,775,147	\$6,911,747	\$1,667,063	\$ 53,310,699
Total liabilities and fund balances	\$78,473,725	\$20,926,560	\$6,911,747	\$7,929,823	\$114,241,855

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, 2012

Total fund balances of governmental funds (page 35)		\$ 53,310,699
<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.		94,882,082
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.		(134,500)
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	\$ 462,163	
Bonds payable	22,450,000	
Net OPEB liability	<u>4,947,383</u>	
		<u>(27,859,546)</u>
Net assets of governmental activities (page 33)		<u>\$120,198,735</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, 2012

	General	Capital Projects Fund	Debt Service Fund	Special Revenue Fund	Total
Revenues:					
Local sources:					
Local tax	\$ 43,252,276	\$14,571,117	\$ 0	\$1,750,410	\$ 59,573,803
Tuition	2,264,001	0	0	0	2,264,001
Other	1,391,687	214,452	82,806	1,548,628	3,237,573
State sources	62,038,032	1,705	0	1,046	62,040,783
Federal sources	7,729,416	0	0	0	7,729,416
Total revenues	\$116,675,412	\$14,787,274	\$ 82,806	\$3,300,084	\$134,845,576
Expenditures:					
Current:					
Instruction:					
Regular instruction	\$ 39,611,990	\$ 72,158	\$ 0	\$1,084,268	\$ 40,768,416
Special instruction	22,048,080	0	0	444,308	22,492,388
Other instruction	11,261,238	186,501	0	1,392,545	12,840,284
	\$ 72,921,308	\$ 258,659	\$ 0	\$2,921,121	\$ 76,101,088
Support services:					
Student services	\$ 5,164,235	\$ 0	\$ 0	\$ 88,460	\$ 5,252,695
Instructional staff services	3,881,132	0	0	103,851	3,984,983
Administration services	9,898,735	2,145,973	0	296,756	12,341,464
Operation and maintenance of plant services	8,072,928	79,614	0	550,386	8,702,928
Transportation services	3,171,242	825,984	0	123,356	4,120,582
	\$ 30,188,272	\$ 3,051,571	\$ 0	\$1,162,809	\$ 34,402,652
Non-instructional programs	\$ 54,900	\$ 0	\$ 0	\$ 80,818	\$ 135,718
Facilities acquisition	\$ 0	\$ 4,919,944	\$ 0	\$ 0	\$ 4,919,944
Debt service:					
Principal	0	0	7,200,000	0	7,200,000
Interest and other charges	0	143,819	412,250	0	556,069
AEA flowthrough	4,496,822	0	0	0	4,496,822
	\$ 4,496,822	\$ 5,063,763	\$ 7,612,250	\$ 0	\$ 17,172,835
Total expenditures	\$107,661,302	\$ 8,373,993	\$ 7,612,250	\$4,164,748	\$127,812,293
Excess (deficiency) of revenues over (under) expenditures	\$ 9,014,110	\$ 6,413,281	\$(7,529,444)	\$ (864,664)	\$ 7,033,283
Other financing sources:					
Revenue bonds issued	\$ 0	\$10,050,343	\$ 0	\$ 0	\$ 10,050,343
Sales of property and equipment	146,088	465	0	0	146,553
Transfers in	352,303	80,885	8,817,750	0	9,250,938
Transfers out	(6,877)	(8,817,750)	(80,885)	(70,230)	(8,975,742)
Net change in fund balances	\$ 9,505,624	\$ 7,727,224	\$ 1,207,421	\$ (934,894)	\$ 17,505,375
Fund balances beginning of year	19,451,118	8,047,923	5,704,326	2,601,957	35,805,324
Fund balances end of year	\$ 28,956,742	\$15,775,147	\$ 6,911,747	\$1,667,063	\$ 53,310,699

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, 2012

Net change in fund balances – total governmental funds (page 37) \$17,505,375

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	\$ 7,133,598	
Depreciation expense	<u>(4,321,523)</u>	
		2,812,075

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. (226,173)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year repayments exceeded issues, as

Issued	\$(10,000,000)	
Repaid	<u>7,200,000</u>	
		(2,800,000)

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. 94,500

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	\$ 4,659	
Other post-employment benefits	<u>(1,432,116)</u>	
		(1,427,457)

Change in net assets of governmental activities (page 34) \$15,958,320

See notes to financial statements.

Dubuque Community School District

Statement of Net Assets

Proprietary Fund

June 30, 2012

	<u>School Nutrition</u>
Assets:	
Current assets:	
Cash	\$1,018,021
Inventories	<u>89,814</u>
Total current assets	<u>\$1,107,835</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>\$ 280,661</u>
Total assets	<u>\$1,388,496</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 702
Salaries and benefits payable	0
Unearned revenue	<u>79,476</u>
Total current liabilities	<u>\$ 80,178</u>
Non-current liabilities:	
Net OPEB liability	<u>\$ 176,406</u>
Total liabilities	<u>\$ 256,584</u>
Net Assets:	
Invested in capital assets	\$ 280,661
Unrestricted	<u>851,251</u>
Total net assets	<u>\$1,131,912</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, 2012

	School Nutrition
Operating revenue:	
Local sources:	
Charges for service	\$ 2,471,135
Other	<u>175</u>
Total operating revenue	\$ 2,471,310
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	\$ 1,631,888
Benefits	661,882
Purchased services	63,500
Supplies	2,398,744
Depreciation	72,156
Loss on disposal of assets	<u>997</u>
Total operating expenses	\$ 4,829,167
Operating loss	<u><u>\$(2,357,857)</u></u>
Non-operating revenue:	
State sources	\$ 40,164
Federal sources	2,477,410
Interest on investments	<u>6,034</u>
Total non-operating revenue	\$ 2,523,608
Net income before transfers	\$ 165,751
Transfers in	17,234
Transfers out	<u>(296,862)</u>
Change in net assets	\$ (113,877)
Net assets beginning of year	<u>1,245,789</u>
Net assets end of year	<u><u>\$ 1,131,912</u></u>

See notes to financial statements.

Dubuque Community School District

Statement of Cash Flows

Proprietary Fund

Year Ended June 30, 2012

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 2,424,027
Cash received from miscellaneous operating activities	55,522
Cash payments to employees for services	(2,246,419)
Cash payments to suppliers for goods or services	<u>(2,071,427)</u>
Net cash used in operating activities	<u>\$(1,838,297)</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 40,164
Federal grants received	2,114,946
Transfers from other funds	17,235
Transfers to other funds	<u>(296,862)</u>
Net cash provided by non-capital financing activities	<u>\$ 1,875,483</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	\$ (42,080)
Cash flows from investing activities:	
Interest on investments	<u>\$ 6,034</u>
Net increase in cash and cash equivalents	\$ 1,140
Cash and cash equivalents at beginning of year	<u>1,016,881</u>
Cash and cash equivalents at end of year	<u>\$ 1,018,021</u>

(continued)

Dubuque Community School District

Statement of Cash Flows (continued)

Proprietary Fund

Year Ended June 30, 2012

**School
Nutrition**

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

Operating loss	\$(2,357,857)
Adjustments to reconcile operating loss to net cash used in operation activities:	
Commodities used	362,498
Depreciation	72,156
Loss on disposal of assets	997
Decrease in inventories	28,473
(Decrease) in accounts payable	(155)
(Decrease) in accrued salaries and benefits	(3,713)
Increase in deferred revenue (non-federal grants)	8,240
Increase in net OPEB liability	<u>51,064</u>
Net cash used in operating activities	<u><u>\$(1,838,297)</u></u>

Non-cash investing, capital, and financial activities:

During the year ended June 30, 2012, the District received \$362,498 of Federal commodities.

See notes to financial statements.

Dubuque Community School District

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2012

	<u>Private Purpose Trust</u>	<u>Agency</u>
	<u>Scholarship</u>	
Assets:		
Cash	\$157,302	\$40,061
Liabilities:		
Other payables	\$ <u> 0</u>	<u>\$40,061</u>
Net Assets:		
Reserved for scholarships	<u>\$157,302</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, 2012

Private Purpose Trust

	Total
Additions:	
Local sources:	
Other local sources	\$ 9,852
Interest on investments	<u>978</u>
Total revenues	<u>\$ 10,830</u>
Deductions:	
Instruction:	
Regular instruction:	
Other	<u>\$ 12,835</u>
Change in net assets	\$ (2,005)
Net assets beginning of year	<u>159,307</u>
Net assets end of year	<u><u>\$157,302</u></u>

See notes to financial statements.

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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, 2010, assessed property valuations; is for the tax accrual period July 1, 2011, through June 30, 2012, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2011.

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, 2012

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

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

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

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

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

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

Committed – Amounts which can be used only for specific purposes 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.

Assigned – Amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the executive director of finance and business services.

Unassigned – All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

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

Net Assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District first applies restricted resources.

Net assets restricted through enabling legislation include \$1,398,368 for state funding, \$13,475,077 for capital projects, \$6,911,747 for debt service, \$2,300,070 for physical plant and equipment levy, \$874,726 for management levy purposes, and \$792,337 for student activities.

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

Note 2: Cash and Pooled Investments

As of June 30, 2012, the book balance of the District's petty cash totaled \$4,125 and the cash deposit balances totaled \$41,886,564.

As of June 30, 2012, 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	06/19/12	9 months	03/19/13	\$15,001,130
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	3,700,000
Dubuque Bank & Trust	Certificate of Deposit	05/22/12	134 months	07/01/23	<u>1,000,000</u>
					<u>\$20,560,130</u>

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

Credit Risk: The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high-rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. The District has no investment policies that would further limit its investment choices.

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

Note 2: Cash and Pooled Investments: (continued)

deposits in banks to be entirely covered by federal depository insurance or by the State Sinking Fund. As of June 30, 2012, 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	41,886,564
Investments	<u>20,560,130</u>
	<u>\$62,450,819</u>
Governmental activities	\$61,235,435
Business-type activities	1,018,021
Fiduciary funds:	
Private Purpose Trust	157,302
Agency	<u>40,061</u>
	<u>\$62,450,819</u>

Note 3: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2012, is as follows:

Transfer to	Transfer from	Amount
Proprietary	General	\$ 6,877
Debt Service	Capital Projects	8,817,750
General	Proprietary	296,862
General	Special Revenue: Student Activity	55,441
Capital Projects	Debt Service	80,885
Proprietary	Special Revenue: Student Activity	10,357
Expendable Trust	Special Revenue: Student Activity	<u>4,432</u>
Total		<u>\$9,272,604</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, 2012

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2012, is as follows:

	Balance Beginning of Year	Increases	(Decreases)	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,252,362	\$ 0	\$ 0	\$ 7,252,362
Construction in progress	5,153,174	3,858,790	(5,153,174)	3,858,790
Total capital assets not being depreciated	<u>\$ 12,405,536</u>	<u>\$3,858,790</u>	<u>\$(5,153,174)</u>	<u>\$ 11,111,152</u>
Capital assets being depreciated:				
Buildings and improvements	\$101,483,376	\$4,914,721	\$ (6,829)	\$106,391,268
Land improvements	6,624,505	404,633	0	7,029,138
Furniture and equipment	19,552,959	3,096,484	(1,291,746)	21,357,697
Total capital assets being depreciated	<u>\$127,660,840</u>	<u>\$8,415,838</u>	<u>\$(1,298,575)</u>	<u>\$134,778,103</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 30,153,675	\$2,593,873	\$ (797)	\$ 32,746,751
Land improvements	4,222,137	200,590	0	4,422,727
Furniture and equipment	13,394,383	1,527,060	(1,083,748)	13,837,695
Total accumulated depreciation	<u>\$ 47,770,195</u>	<u>\$4,321,523</u>	<u>\$(1,084,545)</u>	<u>\$ 51,007,173</u>
Total capital assets being depreciated, net	<u>\$ 79,890,645</u>	<u>\$4,094,315</u>	<u>\$ (214,030)</u>	<u>\$ 83,770,930</u>
Governmental activities capital assets, net	<u>\$ 92,296,181</u>	<u>\$7,953,105</u>	<u>\$(5,367,204)</u>	<u>\$ 94,882,082</u>
Business-type Activities:				
Furniture and equipment	\$ 1,505,700	\$ 42,080	\$ (16,118)	\$ 1,531,662
Less accumulated depreciation	1,193,966	72,156	(15,121)	1,251,001
Business-type activities capital assets, net	<u>\$ 311,734</u>	<u>\$ (30,076)</u>	<u>\$ (997)</u>	<u>\$ 280,661</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

Note 4: Capital Assets: (continued)

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 210,084
Special	20,146
Other	58,671

Support services:

Student services	9,803
Instructional staff	3,517
Administration	325,411
Operation and maintenance of plant	151,117
Transportation	512,184
Non-instructional programs	29
	<u>\$1,290,962</u>

Unallocated depreciation	<u>3,030,561</u>
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Total governmental activities depreciation expense	<u>\$4,321,523</u>
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Business-type activities:

Food services	
Regular depreciation	<u>\$ 72,156</u>

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2012, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$19,650,000	\$10,000,000	\$7,200,000	\$22,450,000	\$7,600,000
Compensated absences	466,822	462,163	466,822	462,163	462,163
Net OPEB liability	3,515,267	1,432,116	0	4,947,383	0
	<u>\$23,632,089</u>	<u>\$11,894,279</u>	<u>\$7,666,822</u>	<u>\$27,859,546</u>	<u>\$8,062,163</u>
Business type activities:					
Net OPEB liability	<u>\$ 125,342</u>	<u>\$ 51,064</u>	<u>\$ 0</u>	<u>\$ 176,406</u>	<u>\$ 0</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

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, 2012, is as follows:

Summary – Debt Service Requirements to Maturity			
Year Ending June 30	Principal	Interest	Total
2013	\$ 7,600,000	\$ 341,075	\$ 7,941,075
2014	4,850,000	237,863	5,087,863
2015	565,000	175,125	740,125
2016	570,000	166,613	736,613
2017	1,165,000	153,600	1,318,600
2018	1,175,000	136,050	1,311,050
2019	1,190,000	118,015	1,308,015
2020	1,210,000	98,205	1,308,205
2021	1,230,000	75,625	1,305,625
2022	1,250,000	50,508	1,300,508
2023	1,275,000	23,038	1,298,038
2024	370,000	4,347	374,347
	<u>\$22,450,000</u>	<u>\$1,580,064</u>	<u>\$24,030,064</u>

Details of the District's June 30, 2012, 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
2013	3.00%	\$2,000,000	\$30,000	\$2,030,000
Total		<u>\$2,000,000</u>	<u>\$30,000</u>	<u>\$2,030,000</u>

Series 2010B Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2013	2.00%	\$ 5,600,000	\$191,500	\$ 5,791,500
2014	2.00%	4,850,000	58,500	4,908,500
Total		<u>\$10,450,000</u>	<u>\$250,000</u>	<u>\$10,700,000</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

Note 5: Long-term Liabilities: (continued)

Series 2012 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2013	1.50%	\$ 0	\$ 119,575	\$ 119,575
2014	1.50%	0	179,363	179,363
2015	1.50%	565,000	175,125	740,125
2016	1.50%	570,000	166,613	736,613
2017	1.50%	1,165,000	153,600	1,318,600
2018	1.50%	1,175,000	136,050	1,311,050
2019	1.55%	1,190,000	118,015	1,308,015
2020	1.75%	1,210,000	98,205	1,308,205
2021	1.95%	1,230,000	75,625	1,305,625
2022	2.10%	1,250,000	50,508	1,300,508
2023	2.25%	1,275,000	23,038	1,298,038
2024	2.35%	370,000	4,347	374,347
		\$10,000,000	\$1,300,064	\$11,300,064

The District has pledged future statewide sales, services and use tax revenues to repay the \$22,450,000 of bonds issued in December 2009, March 2010, and May 2012. The December 2009 and March 2010 bonds were issued for the purpose of refinancing all of the District's former outstanding bonds. The May 2012 bonds are being issued to construct, remodel, repair and equip athletic facilities at Dalzell Field and Hempstead Field, to improve the sites therefore, and to fund other school infrastructure projects. 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 2023. 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 \$24,030,064.

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

- a) \$2,975,000 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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

Note 5: Long-term Liabilities: (continued)

- 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, 2012.

During the year ended June 30, 2012, the District made interest payments totaling \$412,250.

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 5.38% of their annual covered salary and the District is required to contribute 8.07% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2012, 2011, and 2010 were \$5,218,342, \$4,466,474, and \$4,313,135, respectively, equal to the required contributions for each year.

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

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

The cost of early retirements expected to be liquidated currently, are recorded as a liability of the special revenue – management levy fund. At June 30, 2012, the District has obligations to forty-five (45) participants with a total accrued liability of \$1,227,920. These early retirement benefits will be paid July 1, 2012.

Early retirement benefits paid during the year ended June 30, 2012, totaled \$447,543.

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

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

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.

The following table shows the components of the District’s annual OPEB cost for the year ended June 30, 2012, 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	145,624
Adjustment to annual required contribution	<u>(121,313)</u>
Annual OPEB cost (expenses)	\$2,076,822
Contributions and payments made	<u>(593,642)</u>
Increase in net OPEB obligation	\$1,483,180
Net OPEB obligation – June 30, 2011	<u>3,640,609</u>
Net OPEB obligation – June 30, 2012	\$5,123,789

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, 2012.

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

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

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, 2012, 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
June 30, 2012	\$2,076,822	28.6%	\$5,123,789

Funded Status and Funding Progress: As of July 1, 2011, the most recent actuarial valuation date for the period July 1, 2011, through June 30, 2012, 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 \$64,684,349 and the ratio of the UAAL to covered payroll was 32.0%. As of June 30, 2012, there were no trust fund assets.

Actuarial Methods and Assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information 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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

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 \$4,496,822 for the year ended June 30, 2012, and is recorded in the general fund by making a memorandum adjusting entry to the financial statements.

Note 10: Construction and Other Commitments

On February 21, 2012, the District signed a \$657,200 contract for the renovation and elevator addition to Sageville Elementary School. As of June 30, 2012, \$19,050 of change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 2012, \$84,332 had been paid on the contract.

On April 9, 2012, the District signed an \$8,994,000 contract with Portzen Construction Company for the Dalzell Field Renovation/Hempstead Field Improvements. As of June 30, 2012, \$388 of change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 2012, \$737,480 had been paid on the contract.

At June 30, 2012, the District also had approximately \$3,222,558 in commitments related to unfilled purchase orders for goods and services.

Note 11: New Governmental Accounting Standards Board (GASB) Statements

The District implemented the following statement:

- 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. This Statement had no effect on the District in the current year.

Dubuque Community School District

Notes to Financial Statements

June 30, 2012

Note 11: New Governmental Accounting Standards Board (GASB) Statements: (continued)

As of June 30, 2012, 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. 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 GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in June 2011. This Statement amends Statement No. 34 relating to net asset reporting requirements. The requirements of the related Statement are effective for financial statements for periods beginning after December 15, 2011.
- The GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* in June 2011. The requirements of the related Statement are effective for financial statements for periods beginning after June 15, 2011.

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, 2012

	Actual Amounts			Budgeted Amounts		
	Governmental Funds	Proprietary Fund	Total	Original	Amended	Final to Actual Variance
Revenues:						
Local sources	\$ 65,075,377	\$2,477,344	\$ 67,552,721	\$ 67,163,841	\$ 67,163,841	\$ 388,880
State sources	62,040,783	40,164	62,080,947	63,011,685	63,011,685	(930,738)
Federal sources	7,729,416	2,477,410	10,206,826	9,080,000	9,080,000	1,126,826
Total revenues	\$134,845,576	\$4,994,918	\$139,840,494	\$139,255,526	\$139,255,526	\$ 584,968
Expenditures:						
Instruction	\$ 76,101,088	\$ 0	\$ 76,101,088	\$ 79,647,100	\$ 79,647,100	\$ 3,546,012
Support services	34,402,652	0	34,402,652	33,558,000	35,058,000	655,348
Non-instructional programs	135,718	4,829,167	4,964,885	5,167,000	5,167,000	202,115
Other expenditures	17,172,835	0	17,172,835	16,813,994	19,313,994	2,141,159
Total expenditures	\$127,812,293	\$4,829,167	\$132,641,460	\$135,186,094	\$139,186,094	\$ 6,544,634
Excess (deficiency) of revenues over expenditures	\$ 7,033,283	\$ 165,751	\$ 7,199,034	\$ 4,069,432	\$ 69,432	\$ 7,129,602
Other financing sources, net	10,472,092	(279,628)	10,192,464	35,000	35,000	10,157,464
Excess (deficiency) of revenues and other financing sources over expenditures	\$ 17,505,375	\$ (113,877)	\$ 17,391,498	\$ 4,104,432	\$ 104,432	\$17,287,066
Balances beginning of year	35,805,324	1,245,789	37,051,113	26,290,340	26,290,340	10,760,773
Balances end of year	\$ 53,310,699	\$1,131,912	\$ 54,442,611	\$ 30,394,772	\$ 26,394,772	\$28,047,839

See accompanying independent auditor's report.

Dubuque Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year Ended June 30, 2012

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 \$3,000,000.

Dubuque Community School District
Schedule of Funding Progress for the Retiree Health Benefit Plan
Required Supplementary Information
June 30, 2012

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%
2012	7/1/2010	\$0	\$20,671,234	\$20,671,234	0.0%	\$64,684,349	32.0%

IPERS covered payroll for FY 2012

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.

See accompanying independent auditor's report.

Other Supplementary Information

Dubuque Community School District

Governmental Funds

Special Revenue Funds

June 30, 2012

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

Special Revenue Funds

June 30, 2012

	Special Revenue		
Assets	Management Levy	Student Activity	Total
Cash	\$2,103,629	\$810,660	\$2,914,289
Receivables:			
Property tax:			
Delinquent	15,534	0	15,534
Succeeding year	5,000,000	0	5,000,000
Total assets	\$7,119,163	\$810,660	\$7,929,823
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 11,915	\$ 18,323	\$ 30,238
Early retirement payable	1,229,559	0	1,229,559
Deferred revenue:			
Succeeding year property tax	5,000,000	0	5,000,000
Other	2,963	0	2,963
Total liabilities	\$6,244,437	\$ 18,323	\$6,262,760
Fund balances:			
Restricted for:			
Management levy purposes	\$ 874,726	\$ 0	\$ 874,726
Student activities	0	792,337	792,337
Total fund balances	\$ 874,726	\$792,337	\$1,667,063
Total liabilities and fund equity	\$7,119,163	\$810,660	\$7,929,823

See accompanying independent auditor's report.

Dubuque Community School District

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

Special Revenue Funds

Year Ended June 30, 2012

	Special Revenue		
	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	\$1,750,410	\$ 0	\$1,750,410
Other	30,287	1,518,341	1,548,628
State sources	1,046	0	1,046
Total revenues	<u>\$1,781,743</u>	<u>\$1,518,341</u>	<u>\$3,300,084</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$1,084,268	\$ 0	\$1,084,268
Special instruction	444,308	0	444,308
Other instruction	3,343	1,389,202	1,392,545
Support services:			
Student services	88,460	0	88,460
Instructional staff services	103,851	0	103,851
Administration services	296,756	0	296,756
Operation and maintenance of plant services	550,386	0	550,386
Transportation services	122,731	625	123,356
Non-instructional programs	80,818	0	80,818
Total expenditures	<u>\$2,774,921</u>	<u>\$1,389,827</u>	<u>\$4,164,748</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (993,178)	\$ 128,514	\$ (864,664)
Other financing sources:			
Operating transfers out	\$ 0	\$ (70,230)	\$ (70,230)
Net change in fund balances	<u>\$ (993,178)</u>	<u>\$ 58,284</u>	<u>\$ (934,894)</u>
Fund balances beginning of year	<u>1,867,904</u>	<u>734,053</u>	<u>2,601,957</u>
Fund balances end of year	<u>\$ 874,726</u>	<u>\$ 792,337</u>	<u>\$1,667,063</u>

See accompanying independent auditor's report.

Dubuque Community School District

Capital Project Accounts

Capital Projects Fund

Year Ended June 30, 2012

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, 2012

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$13,451,371	\$2,369,323	\$15,820,694
Receivables:			
Property tax:			
Delinquent	0	26,323	26,323
Succeeding year	0	3,295,962	3,295,962
Interest	65,530	0	65,530
Due from other governments	1,718,051	0	1,718,051
Total assets	\$15,234,952	\$5,691,608	\$20,926,560
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,759,875	\$ 90,553	\$ 1,850,428
Deferred revenue:			
Succeeding year property tax	0	3,295,962	3,295,962
Other	0	5,023	5,023
Total liabilities	\$ 1,759,875	\$3,391,538	\$ 5,151,413
Fund balances:			
Restricted for:			
School infrastructure	\$13,475,077	\$ 0	\$13,475,077
Physical plant and equipment	0	2,300,070	2,300,070
Total fund balances	\$13,475,077	\$2,300,070	\$15,775,147
Total liabilities and fund balances	\$15,234,952	\$5,691,608	\$20,926,560

See accompanying independent auditor's report.

Dubuque Community School District

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

Capital Project Accounts

Year Ended June 30, 2012

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$11,435,526	\$3,135,591	\$14,571,117
Other	201,032	13,420	214,452
State sources	0	1,705	1,705
Federal sources	0	0	0
Total revenues	<u>\$11,636,558</u>	<u>\$3,150,716</u>	<u>\$14,787,274</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$ 0	\$ 72,158	\$ 72,158
Other instruction	0	186,501	186,501
	<u>\$ 0</u>	<u>\$ 258,659</u>	<u>\$ 258,659</u>
Support services:			
Administration services	\$ 1,637,914	\$ 508,059	\$ 2,145,973
Operation and maintenance of plant services	0	79,614	79,614
Transportation services	0	825,984	825,984
	<u>\$ 1,637,914</u>	<u>\$1,413,657</u>	<u>\$ 3,051,571</u>
Facilities acquisition	\$ 3,771,556	\$1,148,388	\$ 4,919,944
Debt service:			
Principal	0	0	0
Interest and other charges	143,781	38	143,819
	<u>\$ 3,915,337</u>	<u>\$1,148,426</u>	<u>\$ 5,063,763</u>
Total expenditures	<u>\$ 5,553,251</u>	<u>\$2,820,742</u>	<u>\$ 8,373,993</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 6,083,307	\$ 329,974	\$ 6,413,281
Other financing sources:			
Revenue bonds issued	\$10,050,343	\$ 0	\$10,050,343
Sales of property and equipment	0	465	465
Transfers in	80,885	0	80,885
Transfers out	(8,817,750)	0	(8,817,750)
Net change in fund balances	<u>\$ 7,396,785</u>	<u>\$ 330,439</u>	<u>\$ 7,727,224</u>
Fund balances beginning of year	6,078,292	1,969,631	8,047,923
Fund balances end of year	<u>\$13,475,077</u>	<u>\$2,300,070</u>	<u>\$15,775,147</u>

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2012

	Balance June 30, 2011	Revenues	Expenditures	Balance June 30, 2012
Senior High Schools:				
Alternative Learning Center	\$ 5,676	\$ 1,113	\$ 3,639	\$ 3,150
Stephen Hempstead	211,085	432,572	428,378	215,279
Dubuque Senior	161,109	543,566	503,494	201,181
Total Senior High Schools	<u>\$377,870</u>	<u>\$ 977,251</u>	<u>\$ 935,511</u>	<u>\$419,610</u>
Middle Schools:				
Jefferson	\$ 65,977	\$ 38,119	\$ 30,579	\$ 73,517
Washington	31,669	41,654	39,351	33,972
Roosevelt	98,366	60,787	62,317	96,836
Total Middle Schools	<u>\$196,012</u>	<u>\$ 140,560</u>	<u>\$ 132,247</u>	<u>\$204,325</u>
Elementary Schools:				
Audubon	\$ 18,015	\$ 481	\$ 56	\$ 18,440
Bryant	5,133	4,098	3,402	5,829
Eisenhower	1,833	4,779	1,505	5,107
Carver	9,169	7,129	6,477	9,821
Fulton	24,658	6,671	8,256	23,073
Hoover	28,133	8,935	9,964	27,104
Irving	31,015	11,640	14,755	27,900
Kennedy	12,182	3,725	6,124	9,783
Lincoln	4,485	14,618	11,262	7,841
Marshall	12,172	3,762	2,747	13,187
Prescott	4,091	3,756	3,247	4,600
Sageville	3,502	503	1,478	2,527
Table Mound	7,740	8,861	4,221	12,380
Jones Hand-in-Hand Preschool	351	1	0	352
Total Elementary Schools	<u>\$162,479</u>	<u>\$ 78,959</u>	<u>\$ 73,494</u>	<u>\$167,944</u>
Athletic reserve	\$ (3,977)	\$ 315,788	\$ 314,473	\$ (2,662)
District instrumental music	1,669	5,783	4,332	3,120
	<u>\$ (2,308)</u>	<u>\$ 321,571</u>	<u>\$ 318,805</u>	<u>\$ 458</u>
Grand Total	<u><u>\$734,053</u></u>	<u><u>\$1,518,341</u></u>	<u><u>\$1,460,057</u></u>	<u><u>\$792,337</u></u>

See accompanying independent auditor's report.

Dubuque Community School District
Schedule of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2012

	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	\$ 4,110	\$ 5,742	\$ 0	\$ 9,852
Interest on investments	<u>94</u>	<u>675</u>	<u>203</u>	<u>6</u>	<u>978</u>
Total revenues	<u>\$ 94</u>	<u>\$ 4,785</u>	<u>\$ 5,945</u>	<u>\$ 6</u>	<u>\$ 10,830</u>
Deductions:					
Instruction:					
Regular instruction:					
Other	<u>\$ 0</u>	<u>\$ 8,475</u>	<u>\$ 3,860</u>	<u>\$ 500</u>	<u>\$ 12,835</u>
Change in net assets	\$ 94	\$ (3,690)	\$ 2,085	\$ (494)	\$ (2,005)
Net assets beginning of year	<u>\$15,523</u>	<u>\$110,963</u>	<u>\$31,686</u>	<u>\$1,135</u>	<u>\$159,307</u>
Net assets end of year	<u>\$15,617</u>	<u>\$107,273</u>	<u>\$33,771</u>	<u>\$ 641</u>	<u>\$157,302</u>

See accompanying independent auditor's report.

Dubuque Community School District
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Fund
Year Ended June 30, 2012

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Assets				
Cash	\$37,371	\$38,551	\$35,861	\$40,061
Total assets	<u>\$37,371</u>	<u>\$38,551</u>	<u>\$35,861</u>	<u>\$40,061</u>
Liabilities				
Other payables	<u>\$37,371</u>	<u>\$38,551</u>	<u>\$35,861</u>	<u>\$40,061</u>
Total liabilities	<u>\$37,371</u>	<u>\$38,551</u>	<u>\$35,861</u>	<u>\$40,061</u>

See accompanying independent auditor's 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			
	2012	2011	2010	2009
Revenues:				
Local sources:				
Local tax	\$ 59,573,803	\$ 56,970,220	\$ 55,448,603	\$ 53,527,722
Tuition	2,264,001	2,146,825	2,229,601	2,054,271
Other	3,237,573	3,523,606	3,716,733	3,845,347
State sources	62,040,783	60,409,551	52,410,026	60,032,976
Federal sources	7,729,416	9,393,044	12,657,914	6,694,658
Total	<u>\$134,845,576</u>	<u>\$132,443,246</u>	<u>\$126,462,877</u>	<u>\$126,154,974</u>
Expenditures:				
Instruction:				
Regular instruction	\$ 40,768,416	\$ 39,582,892	\$ 40,345,167	\$ 41,870,736
Special instruction	22,492,388	21,727,446	22,461,743	22,934,962
Other instruction	12,840,284	12,144,120	11,483,872	8,923,625
Support services:				
Student services	5,252,695	5,034,660	5,053,316	5,093,057
Instructional staff services	3,984,983	3,566,495	3,422,804	3,552,175
Administration services	12,341,464	12,875,379	10,602,780	10,349,190
Operation and maintenance of plant services	8,699,928	8,406,122	8,554,178	8,958,199
Transportation services	4,120,582	4,003,962	3,465,091	3,019,418
Non-instructional programs	135,718	155,648	306,817	93,675
Other expenditures:				
Facilities acquisition	4,919,944	1,471,553	3,547,438	3,718,729
Debt service:				
Principal	7,200,000	8,710,000	33,299,833	7,466,208
Interest and fiscal charges	556,069	524,654	1,323,733	1,482,355
AEA flowthrough	4,496,822	4,922,517	4,802,377	4,321,171
TIF property tax payment to City and other property taxes	0	0	0	229
City street assessments	0	0	0	0
Total	<u>\$127,809,293</u>	<u>\$123,125,448</u>	<u>\$148,669,149</u>	<u>\$121,783,729</u>

See accompanying independent auditor's 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					
2008	2007	2006	2005	2004	2003
\$ 49,698,676	\$ 47,166,139	\$ 43,695,073	\$ 40,863,268	\$36,562,089	\$28,511,489
1,974,497	1,970,036	1,591,829	1,522,456	1,236,803	1,430,405
4,531,034	4,342,335	4,853,070	3,776,111	3,267,111	3,584,566
57,095,921	51,611,486	47,796,591	44,019,322	41,348,965	40,931,161
4,296,825	3,460,383	3,630,635	3,035,986	3,274,481	2,674,714
\$117,596,953	\$108,550,379	\$101,567,198	\$ 93,217,143	\$85,689,449	\$77,132,335
\$ 39,315,976	\$ 36,383,897	\$ 34,064,192	\$ 31,370,284	\$28,594,425	\$26,540,765
19,711,873	17,799,574	16,289,430	14,828,336	13,290,321	12,220,711
9,841,978	9,059,837	8,659,689	8,018,424	7,673,923	7,456,799
4,893,096	4,422,022	4,285,632	3,944,056	3,753,351	3,372,238
3,755,466	3,615,550	4,135,111	3,960,303	3,579,280	3,987,323
10,428,962	10,120,152	9,499,497	8,165,361	7,615,556	6,764,538
9,118,255	8,564,905	8,312,753	6,382,867	6,237,741	6,214,273
3,145,333	3,729,525	3,364,702	3,108,408	3,006,514	2,832,057
143,549	133,012	166,235	183,046	236,125	221,806
6,024,792	18,839,199	21,353,125	29,054,751	7,451,272	4,473,750
4,496,208	1,036,209	101,208	7,000,000	0	0
1,675,126	1,542,704	1,236,956	491,732	0	0
4,106,863	3,803,870	3,532,385	3,307,910	3,233,844	3,337,833
25,690	26,248	26,248	0	0	0
0	79,548	0	0	0	0
\$116,683,167	\$119,156,252	\$115,027,163	\$119,815,478	\$84,672,352	\$77,422,093

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 Ten Fiscal Years *

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
Governmental activities:				
Invested in capital assets, net of related debt	\$ 72,432,082	\$ 72,646,181	\$64,429,213	\$59,780,783
Restricted	25,752,325	18,245,575	17,404,114	9,206,811
Unrestricted	22,014,328	13,348,662	5,121,609	7,757,840
Total governmental activities net assets	\$120,198,735	\$104,240,418	\$86,954,936	\$76,745,434
Business-type activities:				
Invested in capital assets, net of related debt	\$ 280,661	\$ 311,734	\$ 399,217	\$ 442,195
Restricted	0	0	0	0
Unrestricted	851,251	934,055	861,361	808,733
Total business-type activities net assets	\$ 1,131,912	\$ 1,245,789	\$ 1,260,578	\$ 1,250,928
Primary government:				
Invested in capital assets, net of related debt	\$ 72,712,743	\$ 72,957,915	\$64,828,430	\$60,222,978
Restricted	25,752,325	18,245,575	17,404,114	9,206,811
Unrestricted	22,865,579	14,282,717	5,982,970	8,566,573
Total primary government net assets	\$121,330,647	\$105,486,207	\$88,215,514	\$77,996,362

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 Ten Fiscal Years *

2008	2007	2006	2005	2004	2003
\$53,355,696	\$43,446,260	\$41,984,932	\$29,300,136	\$28,108,806	\$24,793,170
8,920,643	6,559,669	5,713,421	2,201,244	2,161,357	168,460
4,416,579	5,627,070	8,371,837	15,351,153	8,563,967	7,730,002
<u>\$66,692,918</u>	<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>
\$ 483,616	\$ 537,950	\$ 518,906	\$ 477,625	\$ 487,797	\$ 248,507
0	0	0	0	0	0
882,625	877,323	714,858	707,623	763,024	964,753
<u>\$ 1,366,241</u>	<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>
\$53,839,312	\$43,984,210	\$42,503,838	\$29,777,761	\$28,596,603	\$25,041,677
8,920,643	6,559,669	5,713,421	2,201,244	2,161,357	168,460
5,299,204	6,504,393	9,086,695	16,058,776	9,326,991	8,694,755
<u>\$68,059,159</u>	<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>

Table 2

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
Expenses:				
Governmental activities:				
Instruction	\$ 76,200,554	\$ 73,398,582	\$ 74,580,509	\$ 74,524,139
Student services	5,262,498	4,916,281	5,064,842	5,147,311
Instructional staff services	3,988,500	3,582,091	3,442,464	3,607,500
Administration services	11,285,684	12,704,945	10,704,315	10,590,758
Operation and maintenance of plant services	8,800,056	8,123,156	8,658,932	9,011,009
Transportation services	4,040,587	3,511,033	3,521,943	3,501,716
Non-instructional programs	134,228	157,526	309,415	96,998
AEA flowthrough	4,496,822	4,922,517	4,802,377	4,321,171
TIF property tax payment and street assessments to City	0	0	0	229
Interest on long-term debt	317,750	487,800	1,271,952	1,482,355
Bond costs	143,819	1,000	316,635	0
Other post-employment benefits	1,432,116	1,380,724	1,044,119	1,090,424
Depreciation (unallocated)	3,110,181	2,259,167	3,230,537	3,090,034
Total governmental activities expenses	\$119,212,795	\$115,444,822	\$116,948,040	\$116,463,644
Business-type activities:				
Nutrition services	\$ 4,829,167	\$ 4,609,057	\$ 4,562,590	\$ 4,336,522
Total business-type activities expenses	\$ 4,829,167	\$ 4,609,057	\$ 4,562,590	\$ 4,336,522
Total primary government expenses	\$124,041,962	\$120,053,879	\$121,510,630	\$120,800,166

(Continued on the following page.)

Table 2

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

2008	2007	2006	2005	2004	2003
\$ 67,010,362	\$ 68,921,618	\$57,066,744	\$53,686,035	\$50,509,332	\$45,653,641
4,766,058	4,813,824	4,149,153	3,908,916	3,843,081	5,654,792
3,677,598	3,873,716	3,987,756	3,955,118	3,655,740	3,338,398
10,125,713	10,955,010	9,174,908	8,137,338	7,825,390	4,975,554
8,835,601	8,967,625	7,960,412	6,417,589	6,422,972	6,161,272
3,683,632	3,738,099	3,259,502	3,120,256	3,003,369	2,714,774
142,067	138,771	161,802	177,698	245,163	220,954
4,106,863	3,803,870	3,532,385	3,307,910	3,233,844	3,337,833
25,690	105,796	26,248	0	0	0
1,675,126	1,542,704	1,120,477	608,211	0	0
0	23,615	128,710	279,056	0	0
0	0	0	0	0	0
2,745,092	2,227,645	1,875,361	1,839,243	1,019,290	552,625
\$106,793,802	\$109,112,293	\$92,443,458	\$85,437,370	\$79,758,181	\$72,609,843
\$ 4,159,239	\$ 3,949,212	\$ 3,957,058	\$ 3,720,132	\$ 3,383,859	\$ 3,158,267
\$ 4,159,239	\$ 3,949,212	\$ 3,957,058	\$ 3,720,132	\$ 3,383,859	\$ 3,158,267
\$110,953,041	\$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 Ten Fiscal Years *

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 4,441,216	\$ 4,481,908	\$ 4,343,293	\$ 4,139,082
Support services	39,417	35,099	34,133	29,432
Operating grants and contributions	20,298,874	22,162,557	25,152,465	21,261,442
Capital grants and contributions	0	61,864	88,137	0
Total governmental activities program revenues	\$ 24,779,507	\$ 26,741,428	\$ 29,618,028	\$ 25,429,956
Business-type activities:				
Charges for services:				
Nutrition services	\$ 2,471,310	\$ 2,505,477	\$ 2,520,337	\$ 2,484,568
Operating grants and contributions	2,517,574	2,362,623	2,365,458	1,992,219
Total business-type program revenues	\$ 4,988,884	\$ 4,868,100	\$ 4,885,795	\$ 4,476,787
Total primary government program revenues	\$ 29,768,391	\$ 31,609,528	\$ 34,503,823	\$ 29,906,743
Net (expense) revenue:				
Governmental activities	\$(94,433,288)	\$(88,703,394)	\$(87,330,012)	\$(91,033,688)
Business-type activities	159,717	259,043	323,205	140,265
Total primary government net expense	\$(94,273,571)	\$(88,444,351)	\$(87,006,807)	\$(90,893,423)

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 Ten Fiscal Years *

2008	2007	2006	2005	2004	2003
\$ 4,181,758	\$ 4,234,503	\$ 3,897,690	\$ 3,737,360	\$ 3,311,107	\$ 3,610,460
26,076	27,342	28,613	34,366	30,411	29,636
15,582,180	12,145,764	11,319,335	9,686,214	8,891,172	9,143,091
5,850	50,750	325,600	358,598	919,717	393,958
\$ 19,795,864	\$ 16,458,359	\$ 15,571,238	\$ 13,816,538	\$ 13,152,407	\$ 13,177,145
\$ 2,369,246	\$ 2,425,845	\$ 2,404,627	\$ 2,036,599	\$ 1,922,552	\$ 1,825,395
1,823,216	1,793,501	1,675,198	1,605,625	1,488,839	1,356,224
\$ 4,192,462	\$ 4,219,346	\$ 4,079,825	\$ 3,642,224	\$ 3,411,391	\$ 3,181,619
\$ 23,988,326	\$ 20,677,705	\$ 19,651,063	\$ 17,458,762	\$ 16,563,798	\$ 16,358,764
\$(86,997,938)	\$(92,653,934)	\$(76,872,220)	\$(71,620,832)	\$(66,605,774)	\$(59,432,698)
33,223	270,134	122,767	(77,908)	27,532	23,352
\$(86,964,715)	\$(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 Ten Fiscal Years *

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
Net (expenses) revenue:				
Governmental activities	\$(94,430,288)	\$ (88,703,394)	\$(87,330,012)	\$(91,033,688)
Business-type activities	159,717	259,043	323,205	140,265
Total primary government net expense	\$(94,270,571)	\$ (88,444,351)	\$(87,006,807)	\$(90,893,423)
General revenues and other changes in net assets:				
Governmental activities:				
Property tax levied for general purposes	\$ 45,002,685	\$ 43,385,106	\$ 42,170,729	\$ 40,684,264
Property tax levied for capital outlay	3,135,590	3,006,514	2,857,384	2,737,058
Local option sales tax	11,435,526	10,578,600	10,420,491	10,106,400
Unrestricted state grants	49,804,874	47,873,056	40,152,782	46,053,267
Investment earnings	455,973	539,547	747,429	682,349
Miscellaneous	281,764	318,999	854,031	543,975
Transfers	275,196	287,054	336,668	278,891
Total governmental activities	\$110,391,608	\$105,988,876	\$ 97,539,514	\$101,086,204
Business-type activities:				
Investment earnings	\$ 6,034	\$ 13,222	\$ 23,113	\$ 23,313
Transfers	(279,628)	(287,054)	(336,668)	(278,891)
Total business-type activities	\$ (273,594)	\$ (273,832)	\$ (313,555)	\$ (255,578)
Change in net assets:				
Governmental activities	\$ 15,958,320	\$ 17,285,482	\$ 10,209,502	\$ 10,052,516
Business-type activities	(113,877)	(14,789)	9,650	(115,313)
Total primary government	\$ 15,844,443	\$ 17,270,693	\$ 10,219,152	\$ 9,937,203

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 Ten Fiscal Years *

2008	2007	2006	2005	2004	2003
\$(86,997,938)	\$(92,653,934)	\$(76,872,220)	\$(71,620,832)	\$(66,605,774)	\$(59,432,698)
33,223	270,134	122,767	(77,908)	27,532	23,352
\$(86,964,715)	\$(92,383,800)	\$(76,749,453)	\$(71,698,740)	\$(66,578,242)	\$(59,409,346)
\$ 36,598,441	\$ 34,446,462	\$ 31,504,694	\$ 28,605,783	\$ 25,066,047	\$ 24,682,939
2,532,490	2,470,364	2,374,392	2,286,154	3,935,949	3,828,550
10,567,745	10,249,312	9,815,987	9,971,691	7,560,094	19,380
46,501,356	43,373,049	40,715,113	37,729,169	35,135,131	34,236,756
774,912	1,013,746	793,031	472,063	180,465	270,357
959,573	539,087	792,744	574,375	870,586	934,457
123,340	124,723	93,916	0	0	0
\$ 98,057,857	\$ 92,216,743	\$ 86,089,877	\$ 79,639,235	\$ 72,748,272	\$ 63,972,439
\$ 44,086	\$ 36,098	\$ 19,665	\$ 12,335	\$ 10,029	\$ 13,403
(126,341)	(124,723)	(93,916)	0	0	0
\$ (82,255)	\$ (88,625)	\$ (74,251)	\$ 12,335	\$ 10,029	\$ 13,403
\$ 11,059,919	\$ (437,191)	\$ 9,217,657	\$ 8,018,403	\$ 6,142,498	\$ 4,539,741
(49,032)	181,509	48,516	(65,573)	37,561	36,755
\$ 11,010,887	\$ (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			
	2012	2011	2010	2009
General Fund:				
Nonspendable	\$ 626,239	\$ 644,808	\$ 0	\$ 0
Restricted	1,398,368	1,894,368	0	0
Unassigned	26,932,135	16,911,942	0	0
Reserved	0	0	1,343,743	1,541,028
Unreserved	0	0	7,449,116	4,393,552
Total General Fund	\$28,956,742	\$19,451,118	\$ 8,792,859	\$ 5,934,580
All other governmental funds:				
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	24,353,957	16,354,207	0	0
Unassigned	0	0	0	0
Reserved	0	0	8,600,545	6,947,435
Unreserved, reported in				
Capital projects fund	0	0	4,427,498	3,271,080
Debt service fund	0	0	72,864	115,299
Special revenue funds	0	0	3,506,028	2,259,376
Total all other governmental funds	\$24,353,957	\$16,354,207	\$16,606,935	\$12,593,190
Total all governmental funds	\$53,310,699	\$35,805,325	\$25,399,794	\$18,527,770

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**

2008	2007	2006	2005	2004	2003
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
1,283,675	738,613	618,359	539,237	563,349	597,405
(573,069)	21,603	1,174,798	3,956,557	4,740,667	5,867,359
<u>\$ 710,606</u>	<u>\$ 760,216</u>	<u>\$ 1,793,157</u>	<u>\$ 4,495,794</u>	<u>\$ 5,304,016</u>	<u>\$ 6,464,764</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
7,017,199	5,339,534	4,408,492	3,508,070	634,585	15,929
4,039,660	5,258,518	6,967,955	8,448,569	3,631,442	0
124,370	46,382	0	0	0	0
1,903,504	1,220,135	1,304,929	1,509,653	1,526,772	1,774,714
<u>\$13,084,733</u>	<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>\$13,795,339</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>

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
Local sources:				
Local tax	\$ 59,573,803	\$ 56,970,220	\$ 55,448,603	\$ 53,527,722
Tuition	2,264,001	2,146,825	2,229,601	2,054,271
Other	3,237,573	3,523,607	3,716,733	3,845,347
Total local sources	\$ 65,075,377	\$ 62,640,652	\$ 61,394,937	\$ 59,427,340
State sources:				
State sources	\$ 62,040,783	\$ 60,409,551	\$ 52,410,026	\$ 60,032,976
Total state sources	\$ 62,040,783	\$ 60,409,551	\$ 52,410,026	\$ 60,032,976
Federal sources:				
Federal sources	\$ 7,729,416	\$ 9,393,044	\$ 12,657,914	\$ 6,694,658
Total federal sources	\$ 7,729,416	\$ 9,393,044	\$ 12,657,914	\$ 6,694,658
Total governmental funds revenue	\$134,845,576	\$132,443,247	\$126,462,877	\$126,154,974

Source: District Financial Records

Table 5

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

2008	2007	2006	2005	2004	2003
\$ 49,698,676	\$ 47,166,139	\$ 43,695,073	\$40,863,628	\$36,562,089	\$28,511,489
1,974,497	1,970,036	1,591,829	1,522,456	1,236,803	1,430,405
4,531,034	4,342,335	4,853,070	3,776,111	3,267,111	3,584,566
\$ 56,204,207	\$ 53,478,510	\$ 50,139,972	\$46,162,195	\$41,066,003	\$33,526,460
\$ 57,095,921	\$ 51,611,486	\$ 47,796,591	\$44,019,322	\$41,348,965	\$40,931,161
\$ 57,095,921	\$ 51,611,486	\$ 47,796,591	\$44,019,322	\$41,348,965	\$40,931,161
\$ 4,296,825	\$ 3,460,383	\$ 3,630,635	\$ 3,035,986	\$ 3,274,481	\$ 2,674,714
\$ 4,296,825	\$ 3,460,383	\$ 3,630,635	\$ 3,035,986	\$ 3,274,481	\$ 2,674,714
\$117,596,953	\$108,550,379	\$101,567,198	\$93,217,503	\$85,689,449	\$77,132,335

Table 6

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

	Fiscal Year				
	2012	2011	2010	2009	2008
Local sources					
Taxes	\$ 43,252,276	\$ 41,381,061	\$ 39,500,291	\$ 38,480,604	\$ 34,543,982
Tuition	2,264,001	2,146,825	2,229,601	2,054,271	1,974,497
Transportation	39,418	35,099	34,133	29,432	26,076
Interest	154,800	212,981	306,352	210,070	185,034
Student activities	307,725	321,686	279,663	257,654	240,278
Other local revenues	889,746	904,610	958,946	1,176,120	1,433,500
Subtotal local revenue	\$ 46,907,966	\$ 45,002,262	\$ 43,308,986	\$ 42,208,151	\$ 38,403,367
State sources					
State foundation aid	\$ 47,711,831	\$ 44,937,511	\$ 37,662,216	\$ 45,392,552	\$ 45,809,960
Instructional support	0	0	0	174,406	182,466
AEA flowthrough	4,496,822	4,922,517	4,802,377	4,321,171	4,106,863
Other state revenue	9,829,379	10,546,522	9,941,876	10,141,446	6,993,167
Subtotal state revenue	\$ 62,038,032	\$ 60,406,550	\$ 52,406,469	\$ 60,029,575	\$ 57,092,456
Federal sources					
Title I	\$ 1,613,871	\$ 1,667,226	\$ 1,685,273	\$ 1,665,591	\$ 1,630,564
Other federal revenue	6,115,545	7,663,954	10,884,504	5,029,067	2,666,262
Subtotal federal revenue	\$ 7,729,416	\$ 9,331,180	\$ 12,569,777	\$ 6,694,658	\$ 4,296,826
Other sources	\$ 498,391	\$ 611,753	\$ 406,526	\$ 407,252	\$ 238,586
Total revenue	\$117,173,805	\$115,351,745	\$108,691,758	\$109,339,636	\$100,031,235

Source: District Financial Records

Table 6

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

2007	2006	2005	2004	2003
\$32,342,730	\$29,605,400	\$26,909,744	\$25,028,794	\$24,533,781
1,970,036	1,591,829	1,522,456	1,236,802	1,430,406
27,342	28,613	34,366	30,411	29,636
323,806	359,018	179,315	144,928	236,972
242,785	337,557	311,667	313,304	318,861
1,036,089	1,270,377	1,199,592	1,023,635	1,186,424
<u>\$35,942,788</u>	<u>\$33,192,794</u>	<u>\$30,157,140</u>	<u>\$27,777,874</u>	<u>\$27,736,080</u>
\$42,708,273	\$40,133,528	\$37,225,810	\$34,862,444	\$34,147,120
183,625	185,665	180,835	191,977	192,829
3,803,870	3,532,385	3,307,910	3,233,844	3,337,833
4,912,063	3,941,314	3,300,989	3,037,374	3,191,982
<u>\$51,607,831</u>	<u>\$47,792,892</u>	<u>\$44,015,544</u>	<u>\$41,325,639</u>	<u>\$40,869,764</u>
\$ 1,347,870	\$ 1,187,939	\$ 1,182,778	\$ 1,158,797	\$ 1,189,294
2,112,513	2,442,696	1,853,208	1,605,901	1,485,420
<u>\$ 3,460,383</u>	<u>\$ 3,630,635</u>	<u>\$ 3,035,986</u>	<u>\$ 2,764,698</u>	<u>\$ 2,674,714</u>
\$ 199,506	\$ 125,987	\$ 15,182	\$ 13,944	\$ 13,307
<u>\$91,210,508</u>	<u>\$84,742,308</u>	<u>\$77,223,852</u>	<u>\$71,882,155</u>	<u>\$71,293,865</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			
	2012	2011	2010	2009
Instruction	\$ 76,101,088	\$ 73,454,458	\$ 74,290,782	\$ 73,729,323
Student services	5,252,695	5,034,660	5,053,316	5,093,057
Instructional staff services	3,984,983	3,566,495	3,422,804	3,552,175
Administration services	12,341,464	12,875,379	10,602,780	10,349,190
Operation and maintenance of plant services	8,702,928	8,406,122	8,554,178	8,958,199
Transportation services	4,120,582	4,003,962	3,465,091	3,019,418
Non-instructional services	135,718	155,648	306,817	93,675
Facilities acquisition	4,919,944	1,471,553	3,547,438	3,718,729
Debt service:				
Principal	7,200,000	8,710,000	33,299,833	7,466,208
Interest	412,250	523,617	1,007,098	1,482,355
AEA flowthrough	4,496,822	4,922,517	4,802,377	4,321,171
Other	143,819	1,037	316,635	229
Total expenditures	\$127,812,293	\$123,125,448	\$148,669,149	\$121,783,729
Debt service as a percentage of noncapital expenditures	6.19%	7.59%	23.6%	7.58%

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**

2008	2007	2006	2005	2004	2003
\$ 68,869,827	\$ 63,243,308	\$ 59,013,311	\$ 54,217,044	\$49,558,669	\$46,218,275
4,893,096	4,422,022	4,285,632	3,944,056	3,753,351	5,737,780
3,755,466	3,615,550	4,135,111	3,960,303	3,579,280	3,372,238
10,428,962	10,120,152	9,499,497	8,165,361	7,615,556	5,014,081
9,118,255	8,564,905	8,312,753	6,382,867	6,237,741	6,214,273
3,145,333	3,729,525	3,364,702	3,108,408	3,006,514	2,832,057
143,549	133,012	166,235	183,046	236,125	221,806
6,024,792	18,839,199	21,353,125	29,054,751	7,451,272	4,473,750
4,496,208	1,036,209	101,208	7,000,000	0	0
1,675,126	1,542,704	1,236,956	491,732	0	0
4,106,863	3,803,870	3,532,385	3,307,910	3,233,844	3,337,833
25,690	105,796	26,248	0	0	0
\$116,683,167	\$119,156,252	\$115,027,163	\$119,815,478	\$84,672,352	\$77,422,093
5.58%	2.57%	1.43%	8.25%	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			
	2012	2011	2010	2009
Instruction:				
Regular	\$ 39,611,990	\$ 38,569,286	\$ 39,316,368	\$ 40,417,644
Special	22,048,080	21,514,318	22,216,791	22,579,460
Other	11,261,238	10,389,358	9,951,775	7,303,035
Total Instruction	\$ 72,921,308	\$ 70,472,962	\$ 71,484,934	\$ 70,300,139
Student Support Services:				
Attendance and social work	\$ 257,588	\$ 245,310	\$ 242,555	\$ 216,417
Guidance services	2,700,544	2,588,620	2,506,763	2,628,026
Health and psychological services	1,836,573	1,854,693	2,003,904	1,952,039
Speech, pathology, & audiology	369,530	258,457	253,437	248,044
Total Student Support Services	\$ 5,164,235	\$ 4,947,080	\$ 5,006,659	\$ 5,044,526
Staff Instruction Services:				
Improvement of instruction	\$ 1,596,748	\$ 1,564,958	\$ 1,312,805	\$ 1,502,253
Library media	2,069,525	1,930,039	2,026,201	1,961,782
Instruction-related technology	214,859	3,713	3,381	5,285
Total Staff Instruction Services	\$ 3,881,132	\$ 3,498,710	\$ 3,342,387	\$ 3,469,320
General Administration Services:				
Board of education	\$ 183,228	\$ 123,341	\$ 111,715	\$ 152,068
Executive administration	1,177,114	1,069,273	1,110,061	1,039,931
Special area administration	173,551	311,894	466,575	395,637
Total General Administration Services	\$ 1,533,893	\$ 1,504,508	\$ 1,688,351	\$ 1,587,636
School Administration Services	\$ 5,634,449	\$ 5,416,059	\$ 5,507,383	\$ 5,529,464
Business & Central Services:				
Business administration fiscal	\$ 1,180,505	\$ 1,188,291	\$ 1,110,037	\$ 1,091,848
Printing, publishing, & duplicating	229,022	371,377	297,494	306,609
Public information	126,079	110,362	107,253	107,409
Personnel	219,393	217,204	201,459	188,015
Administrative technology	975,394	1,128,712	1,203,563	1,159,867
Total Business & Central Services	\$ 2,730,393	\$ 3,015,946	\$ 2,919,806	\$ 2,853,748
Operation and Maintenance of Plant	\$ 8,072,928	\$ 7,650,801	\$ 8,018,101	\$ 8,243,558
Student Transportation	\$ 3,171,242	\$ 3,171,723	\$ 2,811,825	\$ 2,741,183
Central Support	\$ 0	\$ 0	\$ 0	\$ 0
Community Service Operations	\$ 54,900	\$ 91,329	\$ 247,508	\$ 15,269
Funds Transfer	\$ 6,877	\$ 1,851	\$ 4,148	\$ 9,648
AEA Flowthrough	\$ 4,496,822	\$ 4,922,517	\$ 4,802,377	\$ 4,321,171
Total expenditures	\$107,668,179	\$104,693,486	\$105,833,479	\$104,115,662
Percentage Increase (Decrease)	2.84%	(1.08%)	1.65%	4.03%

Source: District Financial Records

Table 8

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

2008	2007	2006	2005	2004	2003
\$ 38,358,714	\$35,059,099	\$33,274,986	\$29,148,693	\$27,474,796	\$26,043,830
19,516,753	17,742,545	16,891,696	18,062,783	16,329,878	15,219,787
8,210,378	7,396,413	6,345,494	3,115,198	3,110,542	2,816,168
\$ 66,085,845	\$60,198,057	\$56,512,176	\$50,326,674	\$46,915,216	\$44,079,785
\$ 213,433	\$ 183,463	\$ 147,791	\$ 150,878	\$ 148,893	\$ 70,266
2,583,096	2,414,892	2,374,275	2,225,657	2,117,862	2,026,659
1,802,329	1,549,048	1,494,243	1,318,042	1,258,221	1,162,398
252,735	199,376	225,371	225,793	207,690	68,941
\$ 4,851,593	\$ 4,346,779	\$ 4,241,680	\$ 3,920,370	\$ 3,732,666	\$ 3,328,264
\$ 1,743,510	\$ 1,617,242	\$ 1,280,695	\$ 2,306,189	\$ 2,004,643	\$ 1,971,054
1,936,232	1,940,853	1,886,064	1,595,313	1,548,446	1,510,533
349	3,693	494,209	0	0	0
\$ 3,680,091	\$ 3,561,788	\$ 3,660,968	\$ 3,901,502	\$ 3,553,089	\$ 3,481,587
\$ 116,152	\$ 113,031	\$ 101,427	\$ 87,987	\$ 100,820	\$ 188,082
929,460	865,829	824,070	528,747	491,586	322,636
342,743	321,244	353,238	0	0	0
\$ 1,388,355	\$ 1,300,104	\$ 1,278,735	\$ 616,734	\$ 592,406	\$ 510,718
\$ 5,600,024	\$ 5,296,832	\$ 4,894,650	\$ 4,457,028	\$ 4,131,948	\$ 3,985,560
\$ 1,187,387	\$ 1,140,121	\$ 1,058,216	\$ 751,017	\$ 732,334	\$ 854,761
415,914	432,423	401,308	399,017	398,632	363,370
151,130	125,116	130,467	7,016	0	0
189,884	179,552	174,671	266,792	0	0
1,109,396	1,177,286	1,119,177	991,319	0	0
\$ 3,053,711	\$ 3,054,498	\$ 2,883,839	\$ 2,415,161	\$ 1,130,966	\$ 1,218,131
\$ 8,322,151	\$ 7,899,172	\$ 7,496,659	\$ 6,348,564	\$ 6,096,635	\$ 6,025,692
\$ 2,897,710	\$ 2,707,252	\$ 2,842,768	\$ 2,557,825	\$ 2,444,137	\$ 2,316,008
\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,033,807	\$ 1,024,415
\$ 88,352	\$ 74,089	\$ 101,085	\$ 180,307	\$ 178,189	\$ 176,097
\$ 6,150	\$ 1,008	\$ 0	\$ 0	\$ 0	\$ 0
\$ 4,106,863	\$ 3,803,870	\$ 3,532,385	\$ 3,307,910	\$ 3,233,844	\$ 3,337,833
\$100,080,845	\$92,243,449	\$87,444,945	\$78,032,075	\$73,042,903	\$69,484,090
8.50%	5.49%	12.06%	6.83%	5.12%	1.35%

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			
	2012	2011	2010	2009
Excess of revenues over (under) expenditures	\$ 7,033,283	\$ 9,317,799	\$(22,206,272)	\$4,371,245
Other financing sources (uses):				
Sales of property and equipment	\$ 146,553	\$ 800,677	\$ 23,631	\$ 82,295
Operating transfers in	9,250,938	9,234,683	12,321,591	8,936,054
Operating transfers out	(8,975,742)	(8,947,627)	(11,984,923)	(8,657,163)
Revenue bonds net proceeds	10,050,343	0	28,717,997	
Total other financing sources (uses)	\$10,472,092	\$ 1,087,733	\$ 29,078,296	\$ 361,186
Net change in fund balance	\$17,505,375	\$10,405,532	\$ 6,872,024	\$4,732,431

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**

2008	2007	2006	2005	2004	2003
\$ 913,786	\$(10,605,873)	\$(13,459,965)	\$(26,597,975)	\$1,017,097	\$(289,758)
\$ 133,428	\$ 65,016	\$ 7,206	\$ 253,452	\$ 503,494	\$ 17,249
7,776,538	3,405,251	4,878,923	7,608,211	1,721	0
(7,653,198)	(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
\$ 256,768	\$ 8,756,125	\$ 9,972,412	\$ 33,463,246	\$1,824,311	\$ 17,249
\$ 1,170,554	\$ (1,849,748)	\$ (3,487,553)	\$ 6,865,271	\$2,841,408	\$(272,509)

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				
2010	2012	\$3,584,139,640	\$1,107,954,369	\$545,384,690	\$5,237,478,699	\$1,941,516,491	\$3,295,962,208	\$15.40388	
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	

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
2010	2012	\$15.25931	\$1.00000	\$0.61754	\$16.87685	\$6.49167	\$1.07379	\$0.68380	\$10.45111	\$10.30123
2009	2011	\$15.14980	\$1.00000	\$0.73369	\$16.88349	\$6.50193	\$1.03532	\$0.61503	\$10.02741	\$10.30237
2008	2010	\$14.87364	\$1.00000	\$1.00554	\$16.87918	\$6.40435	\$0.99471	\$0.62393	\$ 9.85777	\$10.29738
2007	2009	\$15.02092	\$1.00000	\$0.86020	\$16.88112	\$6.40844	\$0.55714	\$0.72556	\$ 9.96904	\$10.30313
2006	2008	\$14.54425	\$1.00000	\$0.86500	\$16.40925	\$6.42691	\$0.61270	\$0.78578	\$10.31690	\$10.30080
2005	2007	\$14.01385	\$1.00000	\$0.91153	\$15.92538	\$6.17924	\$0.61127	\$0.60802	\$ 9.98033	\$10.22827
2004	2006	\$13.24710	\$1.00000	\$0.84985	\$15.09695	\$6.08416	\$0.60517	\$0.60226	\$ 9.69910	\$10.29980
2003	2005	\$12.48784	\$1.00000	\$0.78707	\$14.27491	\$6.08923	\$0.59804	\$0.57269	\$10.07200	\$10.30000
2002	2004	\$11.99116	\$1.00000	\$0.85652	\$13.84768	\$5.59515	\$0.57791	\$0.61686	\$10.27303	\$ 8.94787
2001	2003	\$11.85631	\$0.99996	\$0.88255	\$13.73882	\$5.60064	\$0.57507	\$0.55492	\$10.21200	\$ 8.86017

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

Table 12

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

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

Taxpayer	2012 (1)			2003 (2)		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Peninsula Gaming Company LLC	\$ 56,784	1	1.72%			
Deere & Co.	\$ 35,888	2	1.09%			
ITC Midwest LLC	\$ 34,869	3	1.06%			
Dubuque Initiatives	\$ 30,021	4	0.91%			
Kennedy Mall	\$ 27,841	5	0.84%	\$ 23,588	1	1.02%
Progressive Processing LLC	\$ 21,398	6	0.65%			
Medical Associates Realty	\$ 19,559	7	0.59%	\$ 21,080	2	0.91%
Nordstrom, Inc.	\$ 17,222	8	0.52%	\$ 14,889	4	0.64%
Walter Development	\$ 15,167	9	0.46%			
McGraw Hill	\$ 14,729	10	0.45%	\$ 7,702	10	0.33%
Otto A LLC				\$ 17,512	3	0.76%
US West Communications				\$ 9,422	6	0.41%
A.Y. McDonald Manufacturing Co.						
Plaza 20 Inc.				\$ 10,041	5	0.43%
American Trust & Savings Bank				\$ 8,640	9	0.37%
Wal-Mart				\$ 9,137	7	0.39%
Lowe's Home Center, Inc.						
Minglewood Limited Partnership				\$ 8,944	8	0.39%
Total	\$273,478		8.29%	\$130,955		5.65%

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
2011-2012	2010	\$48,128,348	\$48,116,040	99.97%	\$22,237	\$48,138,277	100.02%
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%

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					
2012	\$ 0	\$ 0	\$ 0	\$22,450,000	\$ 0	\$ 0	\$22,450,000	0.6507%	\$239
2011	\$ 0	\$ 0	\$ 0	\$19,650,000	\$ 0	\$ 0	\$19,650,000	0.5925%	\$211
2010	\$ 0	\$ 0	\$ 0	\$28,360,000	\$ 0	\$ 0	\$28,360,000	0.8684%	\$306
2009	\$5,000,000	\$ 0	\$ 0	\$33,299,833	\$ 0	\$ 0	\$38,299,833	1.2385%	\$414
2008	\$5,000,000	\$ 0	\$ 0	\$40,766,042	\$ 0	\$ 0	\$45,766,042	1.5653%	\$500
2007	\$1,185,000	\$ 0	\$ 0	\$45,262,250	\$ 0	\$ 0	\$46,447,250	1.6750%	\$510
2006	\$ 0	\$ 0	\$ 0	\$37,708,458	\$ 0	\$ 0	\$37,708,458	1.4202%	\$416
2005	\$ 0	\$ 0	\$ 0	\$27,809,667	\$ 0	\$ 0	\$27,809,667	1.1160%	\$308
2004	\$ 0	\$ 0	\$ 0	\$ 1,320,817	\$ 0	\$ 0	\$ 1,320,817	0.0545%	\$ 15
2003	\$2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000,000	0.0853%	\$ 22

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, 2012

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
City of Asbury	\$ 11,972,903	100.00%	\$ 11,972,903
City of Dubuque	185,781,313	100.00%	185,781,313
Dubuque County	286,830	77.90%	223,441
Northeast Iowa Community College	64,690,000	77.98%	<u>50,445,262</u>
Subtotal, overlapping debt			\$248,422,919
District direct debt			<u>22,450,000</u>
Total direct and overlapping debt			<u>\$270,872,919</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			
	2012	2011	2010	2009
Debt Limit	\$156,799,306	\$150,137,044	\$143,129,676	\$136,679,349
Gross debt applicable to limit	\$ 22,450,000	\$ 19,650,000	\$ 28,360,000	\$ 33,299,833
Reserves for payments on debt	(6,911,747)	(5,704,327)	(7,875,854)	(6,209,000)
Total net debt applicable to limit	<u>\$ 15,538,253</u>	<u>\$ 13,945,673</u>	<u>\$ 20,484,146</u>	<u>\$ 27,090,833</u>
Legal debt margin	<u>\$141,261,053</u>	<u>\$136,191,371</u>	<u>\$122,645,530</u>	<u>\$109,588,516</u>
Total net debt applicable to the limit as a percentage of debt limit	9.9%	9.3%	14.3%	19.8%

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 2012

Actual taxable value (a)	\$3,135,986,110
Debt limit (5% of assessed value) (b)	\$ 156,799,306
Debt applicable to limit	<u>(15,538,253)</u>
Legal debt margin	<u>\$ 141,261,053</u>

Table 16

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

2008	2007	2006	2005	2004	2003
\$126,398,436	\$123,409,322	\$118,853,099	\$114,819,315	\$110,030,132	\$107,471,654
\$ 40,766,042	\$ 45,262,250	\$ 37,708,458	\$ 27,809,667	\$ 1,320,817	\$ 0
(6,209,000)	(4,559,000)	(3,700,000)	(2,700,000)	0	0
\$ 34,557,042	\$ 40,703,250	\$ 34,008,458	\$ 25,109,667	\$ 1,320,817	\$ 0
\$ 91,841,394	\$ 82,706,072	\$ 84,844,641	\$ 89,709,648	\$108,709,315	\$107,471,654
27.3%	33.0%	28.6%	21.9%	1.2%	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)		
		Principal	Interest	Coverage	Estimated Collection	Debt Service Combined P & I	Estimated Coverage	Estimated Collection	Debt Service 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	\$ 11,435,526	\$ 7,200,000	\$ 412,250	1.59						
2013					\$ 11,416,793	\$ 8,044,756	1.42	\$ 11,416,793	\$ 8,044,756	1.42
2014					\$ 9,615,888	\$ 2,148,425	4.48	\$ 9,759,618	\$ 2,148,425	4.54
2015					\$ 9,105,317	\$ 1,639,258	5.55	\$ 9,434,028	\$ 1,639,258	5.76
2016					\$ 9,105,317	\$ 6,848,810	1.33	\$ 9,622,709	\$ 6,848,810	1.41
2017					\$ 9,105,317	\$ 6,845,145	1.33	\$ 9,815,163	\$ 6,845,145	1.43
2018					\$ 9,105,317	\$ 6,846,703	1.33	\$ 10,011,466	\$ 6,846,703	1.46
2019					\$ 9,105,317	\$ 6,844,615	1.33	\$ 10,211,695	\$ 6,844,615	1.49
2020					\$ 9,105,317	\$ 6,836,928	1.33	\$ 10,415,929	\$ 6,836,928	1.52
2021					\$ 9,105,317	\$ 6,845,268	1.33	\$ 10,624,248	\$ 6,845,268	1.55
2022					\$ 9,105,317	\$ 6,835,818	1.33	\$ 10,836,733	\$ 6,835,818	1.59
2023					\$ 9,105,317	\$ 2,637,680	3.45	\$ 11,053,468	\$ 2,637,680	4.19
2024					\$ 9,105,317			\$ 11,274,537		
2025					\$ 9,105,317			\$ 11,500,028		
2026					\$ 9,105,317			\$ 11,730,028		
2027					\$ 9,105,317			\$ 11,964,629		
2028					\$ 9,105,317			\$ 12,203,921		
2029					\$ 9,105,317			\$ 12,448,000		
2030					\$ 6,230,716			\$ 8,671,824		

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)
2012	93,888	\$3,450,110,000	\$36,747	N/A	10,469.8
2011	93,072	\$3,316,659,000	\$35,635	5.5%	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

Sources:

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

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

Table 19

Dubuque Community School District
Principal Employers
Current Year and Year 2002

(Unaudited)

Taxpayer	2012 (1)			2002 (2)		
	# of Employees	Rank	Percentage of Total Employment	# of Employees	Rank	Percentage of Total Employment
John Deere	2,065	1	4.03%	1,800	1	3.35%
Dubuque Community Schools	1,946	2	3.79%	1,410	2	2.85%
Mercy Medical Center	1,324	3	2.58%	1,340	3	2.49%
IBM, Corp.	1,300	4	2.53%			
Medical Associates Clinic, P.C.	999	5	1.95%	1,007	5	1.87%
Finley Hospital	920	6	1.79%	760	6	1.41%
City of Dubuque	686	7	1.34%	519	10	0.97%
Holy Family Catholic Schools	575	8	1.12%			
Eagle Window & Door	550	9	1.07%	700	7	1.30%
Prudential Retirement (3)	550	9	1.07%	625	8	1.16%
Dubuque Racing Association	413	10	0.81%			
McCoy Group (4)				1,200	4	2.23%
Diamond Jo Casino				620	9	1.15%
Total	11,328		22.08%	9,981		18.78%

Sources:

- (1) Greater Dubuque Development Corp.
(2) Information provided from the City of Dubuque Comprehensive Annual Financial Report (2003 information not available).
(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			
	2012	2011	2010	2009
Supervisory:				
Superintendent	1.00	1.00	1.00	1.00
Associate superintendent	1.00	1.00	1.00	1.00
Principals	18.00	18.50	19.50	19.50
Assistant principals	13.00	12.00	11.00	14.00
All other administrators	6.00	7.50	10.50	11.50
Total supervisory	39.00	40.00	43.00	47.00
Instruction:				
Teachers - regular program	604.40	590.53	638.87	639.09
Teachers - special education program	153.00	159.77	171.96	174.36
Paraeducators - regular program	82.23	75.57	53.82	54.38
Paraeducators - special education program	259.71	244.01	260.71	270.88
Total instruction	1,099.34	1,069.88	1,125.36	1,138.71
Student services:				
Guidance counselors	30.00	31.00	30.00	31.00
Nurses	16.20	18.20	21.40	21.40
Media specialists	18.50	19.90	21.20	21.20
Other student services staff	12.00	9.00	9.00	9.00
Total student services	76.70	78.10	81.60	82.60
Support and administration:				
Clerical/secretarial	77.75	79.00	79.88	85.57
Custodial, maintenance, and mechanics	98.00	103.00	111.00	112.00
Food service	80.48	78.39	78.25	78.58
Bus drivers, attendants and truckers	68.95	61.66	60.37	62.70
Other support services staff	11.50	12.50	12.50	11.00
Total support and administration	336.68	334.55	342.00	349.85
District Totals	1,551.72	1,522.53	1,591.96	1,618.16

Source: *District Payroll Records*

Table 20

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

2008	2007	2006	2005	2004	2003
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
19.50	19.00	19.00	19.00	18.00	18.00
14.00	15.00	13.00	10.00	10.00	11.00
13.25	13.75	15.00	15.00	14.00	9.00
48.75	49.75	49.00	46.00	44.00	40.00
675.16	654.68	636.07	585.21	566.10	541.35
170.00	161.50	156.80	147.41	143.50	139.50
56.51	56.66	53.91	49.90	43.78	43.17
231.90	226.66	215.66	199.62	175.13	172.69
1,133.57	1,099.50	1,062.44	982.14	928.51	896.71
34.00	33.00	33.00	32.00	31.00	29.91
21.40	19.40	19.40	18.20	18.20	17.20
21.19	20.69	20.00	19.20	19.41	19.51
10.00	10.00	9.28	12.16	10.16	9.28
86.59	83.09	81.68	81.56	78.77	75.90
85.44	86.44	83.88	77.88	75.88	73.13
118.00	114.00	114.00	103.00	100.00	102.00
77.51	75.32	74.46	67.43	65.30	64.77
62.27	59.71	60.47	56.46	55.65	54.42
11.00	11.00	11.00	11.00	11.00	12.00
354.22	346.47	343.81	315.77	307.83	306.32
1,623.13	1,578.81	1,536.93	1,425.47	1,359.11	1,318.93

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
2012	10,470	\$107,668,179	\$10,283	3.29%	\$119,212,795	\$11,386	3.73%	757.40	13.82	37.60%
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%

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			
	2012	2011	2010	2009
Preschool:				
Jones Hand-in-Hand (1963)				
Square feet	26,427	26,427	26,427	26,427
Capacity	68	68	68	184
Enrollment	0	51	61	71
Elementary:				
Audubon (1973)				
Square feet	37,992	37,992	37,992	37,992
Capacity	336	336	336	390
Enrollment	290	259	309	284
Bryant (1940)				
Square feet	30,724	30,724	30,724	30,724
Capacity	263	263	263	390
Enrollment	303	316	315	321
Carver (2007)				
Square feet	66,202	66,202	66,202	66,202
Capacity	524	524	524	624
Enrollment	580	562	497	435
Eisenhower (1970)				
Square feet	63,455	63,455	63,455	63,455
Capacity	460	460	460	624
Enrollment	523	547	557	547
Fulton (1939)				
Square feet	35,098	35,098	35,098	35,098
Capacity	264	264	264	312
Enrollment	285	274	271	215
Hoover (1970)				
Square feet	28,663	28,663	28,663	28,663
Capacity	231	231	231	312
Enrollment	246	258	278	281

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

2008	2007	2006	2005	2004	2003
26,427	26,427	26,427	26,427	26,427	26,427
184	184	184	400	400	400
155	164	126	350	277	293
37,992	37,992	37,992	37,992	37,992	37,992
390	390	390	390	390	390
292	344	337	370	368	389
30,724	30,724	30,724	30,724	30,724	30,724
390	390	390	390	390	390
330	317	309	339	318	315
66,202	N/A	N/A	N/A	N/A	N/A
624	N/A	N/A	N/A	N/A	N/A
416	N/A	N/A	N/A	N/A	N/A
63,455	63,455	63,455	63,455	63,455	61,663
624	624	624	624	624	624
527	581	589	644	599	613
35,098	35,098	35,098	35,098	35,098	35,098
312	312	312	312	312	312
252	265	195	298	307	318
28,663	28,663	28,663	28,663	28,663	28,663
312	312	312	312	312	312
283	336	318	353	334	328

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
Elementary:				
Irving (1951)				
Square feet	79,064	79,064	79,064	79,064
Capacity	492	492	492	624
Enrollment	540	525	494	477
Kennedy (1965)				
Square feet	52,953	52,953	52,953	52,953
Capacity	491	491	491	624
Enrollment	542	511	508	491
Lincoln (1940)				
Square feet	37,692	37,692	37,692	37,692
Capacity	296	296	296	390
Enrollment	292	286	374	336
Marshall (1939)				
Square feet	33,956	33,956	33,956	33,956
Capacity	248	248	248	312
Enrollment	279	249	263	267
Prescott (Demolished and Rebuilt 2006)				
Square feet	65,836	65,836	65,836	65,836
Capacity	375	375	375	312
Enrollment	287	298	266	265
Sageville (1956)				
Square feet	41,612	41,612	41,612	41,612
Capacity	299	299	299	390
Enrollment	280	278	281	313
Table Mound (1960)				
Square feet	51,758	51,758	51,758	51,758
Capacity	370	370	370	546
Enrollment	410	422	435	449

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2008	2007	2006	2005	2004	2003
59,755	47,655	47,655	47,655	47,655	45,863
624	624	624	624	624	624
492	519	535	604	613	571
52,953	52,953	52,953	52,953	51,161	48,736
624	624	624	624	624	624
481	662	613	644	608	571
37,692	37,692	37,692	37,692	37,692	37,692
390	390	390	390	390	390
320	333	300	438	372	373
33,956	33,956	33,956	33,956	33,956	33,956
312	312	312	312	312	312
253	282	286	362	347	339
65,836	65,836	30,547	30,547	30,547	30,547
312	312	312	312	312	312
272	246	273	277	268	222
41,612	41,612	41,612	41,612	41,612	41,612
390	390	390	390	390	390
320	327	302	354	357	347
51,758	51,758	51,758	51,758	51,758	51,758
546	546	546	546	546	546
464	400	397	437	426	398

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
Middle Schools:				
Jefferson (1922)				
Square feet	89,948	89,948	89,948	89,948
Capacity	620	620	620	775
Enrollment	567	583	600	616
Roosevelt (2005)				
Square feet	206,000	206,000	206,000	206,000
Capacity	1,050	1,050	1,050	1,400
Enrollment	1,127	1,162	1,104	1,113
Washington (1920)				
Square feet	92,830	92,830	92,830	92,830
Capacity	657	657	657	775
Enrollment	671	637	642	639
High Schools:				
Central Alternative (1906)				
Square feet	---	---	24,202	24,202
Capacity	---	---	190	180
Enrollment	---	---	134	119
Hempstead (1970)				
Square feet	261,268	261,268	261,268	261,268
Capacity	1,657	1,657	1,657	1,920
Enrollment	1,681	1,756	1,727	1,823
Senior (1920)				
Square feet	286,611	286,611	286,611	286,611
Capacity	1,657	1,657	1,657	1,920
Enrollment	1,593	1,542	1,516	1,468

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

2008	2007	2006	2005	2004	2003
89,948	89,948	89,948	89,948	89,948	89,948
775	775	775	775	775	775
607	654	720	781	742	785
206,000	206,000	206,000	N/A	N/A	N/A
1,400	1,400	1,400	N/A	N/A	N/A
1,163	1,146	1,107	N/A	N/A	N/A
92,830	92,830	92,830	92,830	92,830	92,830
775	775	775	775	775	775
692	682	724	835	813	751
24,202	24,202	24,202	24,202	24,202	24,202
180	180	180	180	180	180
140	146	164	171	170	165
261,268	258,988	256,112	242,962	242,962	242,962
1,920	1,920	1,920	1,920	1,920	1,920
1,829	1,797	1,718	1,666	1,586	1,559
286,611	286,611	286,611	286,611	286,611	286,611
1,920	1,920	1,920	1,920	1,920	1,920
1,459	1,563	1,583	1,620	1,548	1,516

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2012	2011	2010	2009
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	33,000	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**

2008	2007	2006	2005	2004	2003
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
2011 - 2012	\$27,645	\$59,990	\$43,122
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

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, 2012

Grantor/Program	CFDA Number	Grant Number	Expenditures
Direct:			
U.S. Department of Education: Supporting Teens through Education and Protection Act of 2005 (STEP Act)	16.684	FY12	\$ <u>41,290</u>
Indirect:			
U.S. Department of Agriculture: Iowa Department of Education: Child Nutrition Cluster Programs: School Breakfast Program	10.553	FY12	\$ 289,166
National School Lunch Program	10.555	FY12	<u>2,121,095</u> *
			<u>\$2,410,261</u>
Team Nutrition Grant	10.574	FY12	\$ <u>913</u>
Fresh Fruit and Vegetable Program	10.582	FY12	\$ <u>66,235</u>
U.S. Department of Education: Iowa Department of Education: Title I Part A Clusters:			
Title I Grants to LEA	84.010	FY12	\$1,613,871
ARRA – Title I Grants to Local Education Agencies, Recovery Act	84.389	FY12	<u>104,490</u>
			<u>\$1,718,361</u>
Vocational Education – Basic Grants to States	84.048	FY12	\$ <u>117,694</u>
Safe and Drug-free Schools and Communities – National Programs	84.184	FY12	\$ <u>52,040</u>
Safe and Drug-free Schools and Communities – State Grants	84.186	FY12	\$ <u>11,387</u>
Education for Homeless Children and Youth	84.196	FY12	\$ <u>21,645</u>
Twenty-first Century Community Learning Centers	84.287	FY12	\$ <u>191,598</u>
Advanced Placement Program	84.330	FY12	\$ <u>4,047</u>
Improving Teacher Quality Grants	84.367	FY12	\$ <u>379,362</u>
Grants for State Assessments and Related Activities	84.369	FY12	\$ <u>67,906</u>
ARRA – Education Jobs	84.410	FY12	<u>\$1,296,640</u>
Keystone Area Education Agency: Special Education – Grants to States			
	84.027	FY12	\$ <u>784,344</u>
English Language Acquisition Grants	84.365	FY12	\$ <u>9,643</u>
Total			<u>\$7,173,366</u>

* Includes \$362,498 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, 2012

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, 2012. 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, 2012

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

To the Board of Education of
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, 2012, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated January 14, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Dubuque Community School District is responsible for establishing and maintaining effective 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 a 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 noncompliance 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, 2012, 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.

A handwritten signature in cursive script, appearing to read "Jim Kircher".

Dubuque, Iowa
January 14, 2013

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

815 Century Drive
Dubuque, Iowa 52002

Independent Auditor's 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, 2012. 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, 2012.

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 14, 2013

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) No significant deficiencies and material weaknesses 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 material weaknesses 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) Child Nutrition Cluster
 - * CFDA Number 10.553 - School Breakfast Program
 - * CFDA Number 10.555 - National School Lunch Program
 - 2) CFDA Number 84.410 - Education Jobs Fund
- (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.

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.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

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-12 Certified Budget - Expenditures for the year ended June 30, 2012, did not exceed the amounts budgeted.

IV-B-12 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-12 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-12 Business Transactions - No business transactions between the District and District officials or employees were noted.

IV-E-12 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

IV-F-12 Board Minutes - We noted no transaction requiring Board approval which had not been approved by the Board.

IV-G-12 Certified Enrollment - 1.34 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-12 Supplementary Weighting - No variances regarding supplementary weighting certified to the Iowa Department of Education were noted.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

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

- IV-I-12 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-12 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.
- IV-K-12 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- IV-L-12 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, 2012, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 6,078,292
Revenues/transfers in:		
Statewide sales, services and use tax	\$11,435,526	
Other local revenue	2,500	
Investment income	198,532	
Revenue bonds issued	10,050,343	
Transfers from other funds	<u>80,885</u>	
		\$21,767,786
Expenditures/transfers out:		
School infrastructure:		
Construction	\$ 3,771,556	
Equipment	1,589,254	
Other	192,441	
Debt service for school infrastructure:		
Revenue debt	<u>8,817,750</u>	
		<u>\$14,371,001</u>
Ending balance		<u>\$13,475,077</u>

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

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

For the year ended June 30, 2012, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

IV-M-12 Revenue Bonds - The District has established the reserve account required by the revenue bond resolution. In addition, the required monthly transfers from the revenue account to the sinking account were made by the District.