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

**For the Fiscal Year Ended June 30, 2013**

**OFFICIAL ISSUING REPORT**

**Kevin Kelleher**

**Executive Director of Finance and Business Services**

**OFFICE ISSUING REPORT**

**Business Office**

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# INTRODUCTORY SECTION

Dubuque Community Schools
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 13, 2014

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, 2013. 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 2012 (the official count date) was 10,513 students. This District is the seventh largest of Iowa's 348 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 State of Iowa has subsequently enacted legislation that extended the statewide sales tax to 2029. Because of this extension, the District has developed a long-term facilities plan and a long-term technology plan to strategically use these additional funds to complement the District Strategic Plan.

The District completed a large facility project and started two large facility projects during the past fiscal year. These included an approximately $10,500,000 stadium renovation project at Senior High School that was completed this summer, an approximately $33,000,000 multi-year remodel/addition project at Hempstead High School, and an approximately $6,600,000 remodel/addition multi-year project at Kennedy Elementary School; both started during the year. All of these projects will be funded with sales tax revenue bonds. The District issued $10,000,000 bonds in April 2012 and another $10,000,000 in April 2013. The District will need to issue additional bonds in the future in order to complete the Hempstead and Kennedy projects.

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 225 out of 348 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 2012-2013 was $6,008. The allowable growth rate for FY 2013-14 has been set at 2.0%.

In light of these circumstances, the School District must continue to operate in the most efficient manner during 2013-2014 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 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.

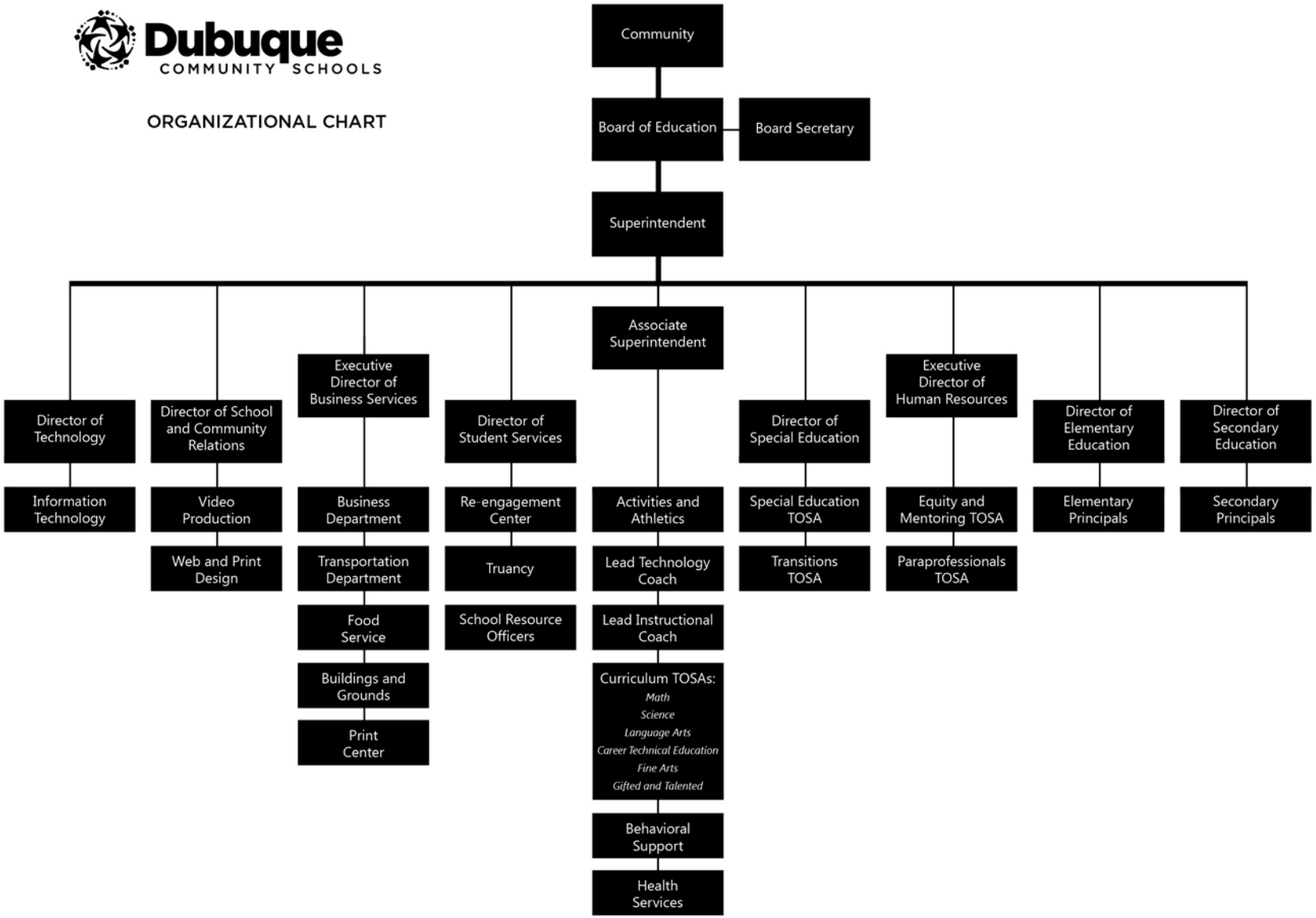
Very truly yours,

Kevin Kelleher
Executive Director of Finance and Business Services

Stan Rheingans
Superintendent of Schools

Dubuque COMMUNITY SCHOOLS

## ORGANIZATIONAL CHART



**Dubuque Community School District**

**Board of Education**

**Year Ended June 30, 2013**

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

**Dubuque Community School District**

**School District Administration**

**Year Ended June 30, 2013**

| | |
|---|---|
| Stan Rheingans | Superintendent of Schools |
| Lynne Devaney | Associate Superintendent |
| Kevin Kelleher | Executive Director of Finance & Business Services |
| Richard Colpitts | Executive Director of Human Resources |

Directors

| | |
|---|---|
| Vacant | 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 |
| Rozanne Warder | 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 |
| Charlie Clasen | Assistant Manager of Buildings and Grounds |
| Kris Hall | Manager of Transportation |
| Sue Shaull | Assistant Manager of Transportation |
| Joann Franck | Manager of Food Services |
| Kelsey Salow | Assistant Manager of Food Services |

**Dubuque Community School District**

**Consultants and Advisors**

**Year Ended June 30, 2013**

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, 2013**

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

*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, 2012*

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

Ron McCulley, CPPB, RSBO
President

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:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Dubuque Community School District, Dubuque, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks and material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Dubuque Community School District as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

*Required Supplementary Information*

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 66 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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, 2012, (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.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2014, on our consideration of Dubuque Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dubuque Community School District's internal control over financial reporting and compliance.

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
January 13, 2014

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, 2013. Please read this information in conjunction with the District's financial statements, which immediately follow this section.

## 2013 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 2013-14, 2.0% for FY 2012-13, 0% for FY 2011-12 and 2.0% for FY 2010-11. This percentage amount has a substantial impact on district-funding levels.

- The District's enrollment has been relatively steady in recent years. From October 2012 to 2013, there was an increase of 61 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 decreased by $5.5 million (4.7%) in FY 2012-13. Major components of this change include a $0.7 million increase in state aid, a $5.8 million decrease from real estate taxes and a $0.4 million decrease in miscellaneous income.

- General fund expenses increased by $4.2 million (3.9%) in this fiscal year. Salaries and benefits comprise 80.6% of general fund expenditures for FY 2012-13 as compared to 80.0% of general fund expenditures for FY 2011-12.

- General fund excess of expenses over revenues resulted in a $0.2 million decrease in fund balance and a $1.1 million decrease in cash/investments. Estimated unspent balance also decreased by $0.1 million.

- The District's total net position increased by $10.0 million (8.2%) this fiscal year primarily due to construction projects.

- 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. Cash reserve levy increases do not, however, increase unspent balance.

**2013 FINANCIAL HIGHLIGHTS,** continued

- The FY 2012-13 unspent balance decreased very minimally. However, with 2.0% allowable growth for FY 2013-14 and 4.0% allowable growth percentage for FY 2014-15, the unspent balance is expected to decline slightly during these years.

- Miscellaneous revenue (composed primarily of grant revenue) decreased by $.4 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 $12.2 million of sales tax revenue in FY 2012-13 most of which was used to pay bond principal, bond interest, some construction costs, and the District technology plan. The collection amount substantially exceeds revenue projections made in January 2003 when the sales tax referendum first passed.

## 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 Position 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.

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

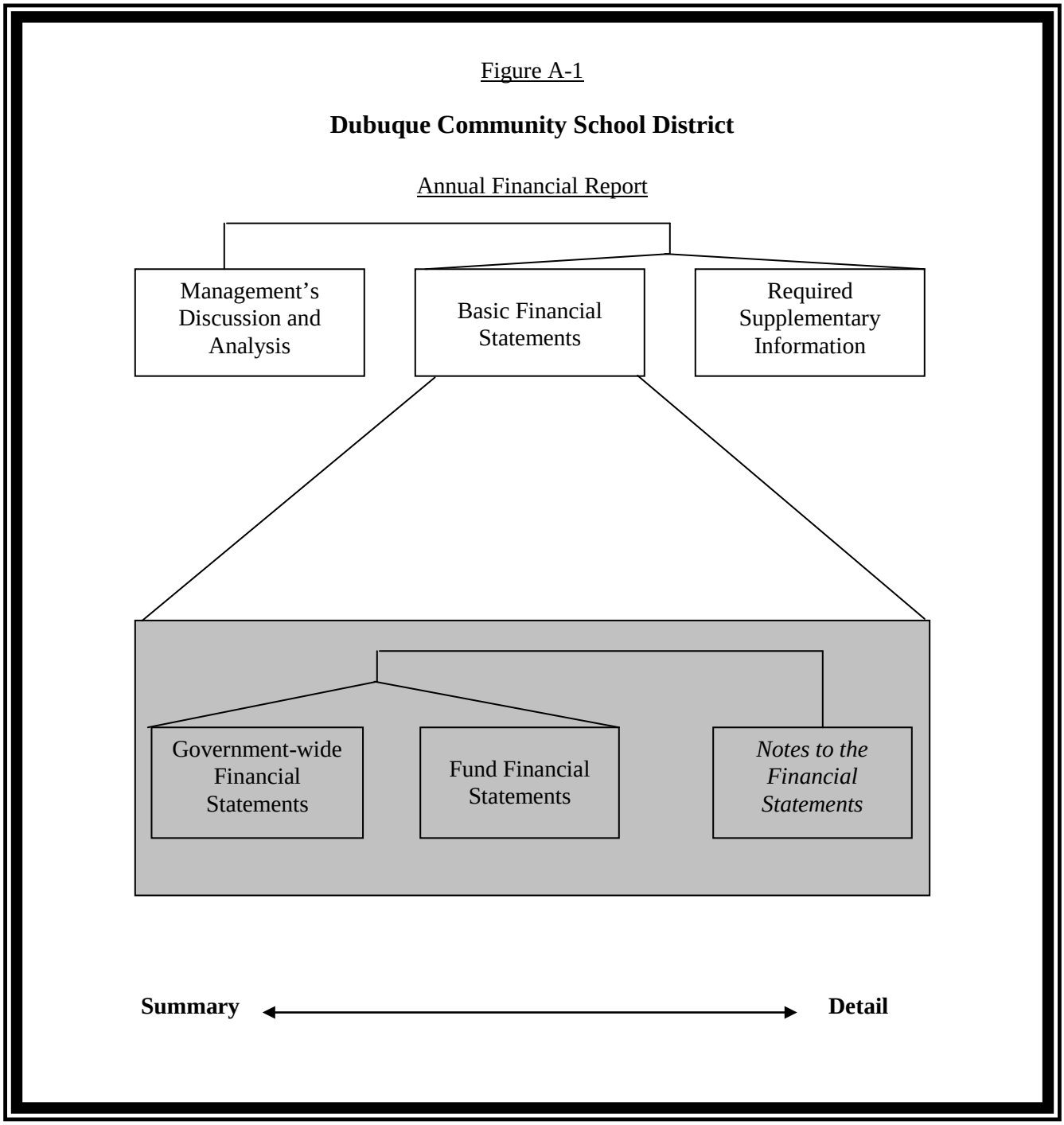


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section highlights the structure and contents of each of the statements.

| **Figure A-2: Major Features of the Government-wide and Fund Financial Statements** | | | | |
|---|---|---|---|---|
| | | **Fund Financial Statements** | | |
| | **Government-wide 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 | • Statement of net position<br>• Statement of activities | • Balance sheet<br>• Statement of revenues, expenditures and changes in fund balances | • Statement of net position<br>• Statement of revenues, expenses, and changes in fund net position<br>• Statement of cash flows | • Statement of fiduciary net position<br>• Statement of changes in fiduciary net position |
| 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 |

## 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 Position 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 position and how they have changed. Net position – 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 position 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.

## 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 position, a statement of revenues, expenses and changes in fund net position 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 position and a statement of changes in fiduciary net position.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2013, compared to June 30, 2012.

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

| | Governmental Activities | | Business-type Activities | | Total District | | Total Percentage Change |
|---|---|---|---|---|---|---|---|
| | **2012** | **2013** | **2012** | **2013** | **2012** | **2013** | **2012-13** |
| Current and other assets | $114,241,855 | $116,140,039 | $1,107,835 | $ 833,342 | $115,349,690 | $116,973,381 | 1.4% |
| Capital assets | 94,882,082 | 105,049,696 | 280,661 | 294,532 | 95,162,743 | 105,344,228 | 10.7% |
| **Total assets** | **$209,123,937** | **$221,189,735** | **$1,388,496** | **$1,127,874** | **$210,512,433** | **$222,317,609** | **5.6%** |
| Current liabilities | $ 69,127,819 | $ 64,974,932 | $ 80,178 | $ 87,180 | $ 69,207,997 | $ 65,062,112 | (6.0%) |
| Long-term liabilities | 19,797,383 | 25,724,535 | 176,406 | 200,701 | 19,973,789 | 25,925,236 | 29.8% |
| **Total liabilities** | **$ 88,925,202** | **$ 90,699,467** | **$ 256,584** | **$ 287,881** | **$ 89,181,786** | **$ 90,987,348** | **2.0%** |
| Net position | | | | | | | |
| Invested in capital assets, net of related debt | $ 72,432,082 | $ 80,199,696 | $ 280,661 | $ 294,532 | $ 72,712,743 | $ 80,494,228 | 10.7% |
| Restricted | 25,752,325 | 29,345,373 | 0 | 0 | 25,752,325 | 29,345,373 | 14.0% |
| Unrestricted | 22,014,328 | 20,945,199 | 851,251 | 545,461 | 22,865,579 | 21,490,660 | (6.0%) |
| **Total net position** | **$120,198,735** | **$130,490,268** | **$1,131,912** | **$ 839,993** | **$121,330,647** | **$131,330,261** | **8.2%** |

Figure A-4 shows the change in net position for the year ended June 30, 2013, compared to the year ended June 30, 2012.

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

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change |
|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012-13 |
| **Revenues** | | | | | | | |
| Program revenues changes for services | $ 4,480,633 | $ 4,939,177 | $2,471,310 | $2,403,562 | $ 6,951,943 | $ 7,342,739 | 5.6% |
| Operating grants & contributions | 20,298,874 | 19,679,045 | 2,517,574 | 2,590,171 | 22,816,448 | 22,269,216 | (2.4%) |
| Capital grants & contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| General revenues property taxes and other taxes | 59,573,801 | 57,952,210 | 0 | 0 | 59,573,801 | 57,952,210 | (2.7%) |
| Unrestricted state grants | 49,804,874 | 50,568,860 | 0 | 0 | 49,804,874 | 50,568,860 | 1.5% |
| Other | 1,012,930 | 1,231,836 | 6,034 | 2,582 | 1,018,964 | 1,234,418 | 21.1% |
| **Total revenues** | **$135,171,112** | **$134,371,128** | **$4,994,918** | **$4,996,315** | **$140,166,030** | **$139,367,443** | **(0.6%)** |
| **Expenses** | | | | | | | |
| Instruction | $ 76,200,554 | $ 77,755,484 | $ 0 | $ 0 | $ 76,200,554 | $ 77,755,484 | 2.0% |
| Support services student and instructional services | 9,250,998 | 10,108,541 | 0 | 0 | 9,250,998 | 10,108,541 | 9.3% |
| Administrative and business | 11,285,684 | 12,281,517 | 0 | 0 | 11,285,684 | 12,281,517 | 8.8% |
| Maintenance and operations | 8,800,056 | 9,102,217 | 0 | 0 | 8,800,056 | 9,102,217 | 3.4% |
| Transportation | 4,040,587 | 4,420,179 | 0 | 0 | 4,040,587 | 4,420,179 | 9.4% |
| Non-instructional | 134,228 | 364,825 | 4,829,167 | 5,014,578 | 4,963,395 | 5,379,403 | 8.4% |
| Other | 9,500,688 | 10,046,832 | 279,628 | 273,656 | 9,780,316 | 10,320,488 | 5.5% |
| **Total expenses** | **$119,212,795** | **$124,079,595** | **$5,108,795** | **$5,288,234** | **$124,321,590** | **$129,367,829** | **4.1%** |
| **Change in net position** | **$ 15,958,317** | **$ 10,291,533** | **$ (113,877)** | **$ (291,919)** | **$ 15,844,440** | **$ 9,999,614** | **(36.9%)** |
| **Beginning net position** | **104,240,418** | **120,198,735** | **1,245,789** | **1,131,912** | **105,486,207** | **121,330,647** | **15.0%** |
| **Ending net position** | **$120,198,735** | **$130,490,268** | **$1,131,912** | **$ 839,993** | **$121,330,647** | **$131,330,261** | **8.2%** |

## 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 |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012-13 | 2012 | 2013 | 2012-13 |
| Instruction | $ 76,200,554 | $ 77,755,484 | 2.0% | $57,764,984 | $59,080,364 | 2.3% |
| Support services student and instructional services | 9,250,998 | 10,108,541 | 9.3% | 8,125,449 | 9,094,725 | 11.9% |
| Administrative and business | 11,285,684 | 12,281,517 | 8.8% | 11,251,559 | 12,281,517 | 9.2% |
| Maintenance and operations | 8,800,056 | 9,102,217 | 3.4% | 8,701,608 | 9,102,217 | 4.6% |
| Transportation | 4,040,587 | 4,420,179 | 9.4% | 3,451,594 | 4,005,905 | 16.1% |
| Non-instructional | 134,228 | 364,825 | 171.8% | 134,228 | 364,825 | 171.8% |
| Other | 9,500,688 | 10,046,832 | 5.7% | 5,003,866 | 5,531,820 | 10.6% |
| **Total** | **$119,212,795** | **$124,079,595** | 4.1% | **$94,433,288** | **$99,461,373** | 5.3% |

## 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 $1,397 over the prior year. The school nutrition fund balances declined significantly this year due to an increase in food costs caused by the change in Federal requirements.

## 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, 2013, total government fund balance was $56,665,045.

## Governmental Fund Highlights

- The District's fund and cash/investment balances and unspent balance all decreased in the 2012-13 fiscal year. At June 30, 2013, the estimated unspent balance was $15,664,138.

- Salaries and benefits comprise about 80.6% of the general fund expenditures. These expenditures increased $4,111,209 due primarily to the negotiated settlements with the District's eight different bargaining units.

- The physical plant and equipment levy (PPEL) fund balance increased slightly in FY 2012-13. 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 multiple other projects began in FY 2012-13.

## Proprietary Fund Highlights

As stated previously, the school nutrition fund is the only proprietary fund maintained by the District. The nutrition fund decreased significantly due to an increase in food costs caused by the change in Federal requirements.

## 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 *certified budget* needs to be tabulated in the following four functional areas: instruction, total support services, non-instructional programs, and total other expenditures.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2013, the District had invested $105 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 10.70% 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 $4,718,202.

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 $12 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, 2013**

| | Governmental Activities | | Business-type Activities | | Total School District | | Total Percentage Change |
|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012-13 |
| Land | $ 7,252,362 | $ 7,252,362 | $ 0 | $ 0 | $ 7,252,362 | $ 7,252,362 | 0.0% |
| Construction in progress | 3,858,790 | 15,497,048 | 0 | 0 | 3,858,790 | 15,497,048 | 301.6% |
| Buildings and improvements | 73,644,517 | 72,751,021 | 0 | 0 | 73,644,517 | 72,751,021 | (1.2%) |
| Land improvements | 2,606,411 | 2,061,231 | 0 | 0 | 2,606,411 | 2,061,231 | (20.9%) |
| Furniture and equipment | 7,520,002 | 7,488,034 | 280,661 | 294,532 | 7,800,663 | 7,782,566 | (0.2%) |
| **Total** | **$94,882,082** | **$105,049,696** | **$280,661** | **$294,532** | **$95,162,743** | **$105,344,228** | **10.7%** |

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.

The District completed a $10,500,000 renovation of the District athletic facility at the Senior High School campus during the 2013 summer. It included a new eight-lane track, artificial turf field, new concessions, bathrooms, bleachers, and also large rooms for home and visiting teams. The District also started two larger projects in the spring of 2013. They include a $33,000,000 remodel/renovation at Hempstead High School which involves remodeling two wings, an additional gymnasium, and new auditorium. The other project includes a $6,600,000 remodel/renovation of Kennedy Elementary School which involves a new gymnasium, additional classrooms, remodel of some classrooms and completion of air conditioning throughout the whole school.

## Long-term Debt

At June 30, 2013, the District had $24,850,000 in revenue bond debt outstanding. This represents an increase of approximately 10.7% 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, 2013**

| | Total District | | Total Change |
|---|---|---|---|
| | 2012 | 2013 | 2012-13 |
| Revenue bonds | $22,450,000 | $24,850,000 | $2,400,000 |

## 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 in recent years 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 2013-14 and 4.0% allowable growth percentage for FY 2014-15, 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 was the case for FY 2013-14, as the legislature approved the allowable growth rate late 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, every day kindergarten in every elementary school.
    - ♦ Grades K-3 class-size reduction.

## 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 amounts. 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 Position

## June 30, 2013

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **Assets:** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 62,603,614 | $ 763,848 | $ 63,367,462 |
| Receivables: | | | |
| Property tax: | | | |
| Delinquent | 376,809 | 0 | 376,809 |
| Succeeding year | 45,513,572 | 0 | 45,513,572 |
| Accounts | 119,219 | 0 | 119,219 |
| Interest: | | | |
| Other | 210,410 | 0 | 210,410 |
| Due from other governments | 6,754,951 | 0 | 6,754,951 |
| Inventories | 551,464 | 69,494 | 620,958 |
| Security deposit | 10,000 | 0 | 10,000 |
| Total current assets | $116,140,039 | $ 833,342 | $116,973,381 |
| Non-current assets: | | | |
| Capital assets not being depreciated | $ 22,749,410 | $ 0 | $ 22,749,410 |
| Capital assets net of accumulated depreciation/amortization | 82,300,286 | 294,532 | 82,594,818 |
| Total non-current assets | $105,049,696 | $ 294,532 | $105,344,228 |
| **Total assets** | $221,189,735 | $1,127,874 | $222,317,609 |
| **Liabilities:** | | | |
| Current liabilities: | | | |
| Accounts payable | $ 4,013,318 | $ 31 | $ 4,013,349 |
| Salaries and benefits payable | 9,643,464 | 4,245 | 9,647,709 |
| Early retirement payable | 203,014 | 0 | 203,014 |
| Unearned revenue | 45,605,198 | 82,904 | 45,688,102 |
| Security Deposit Payable | 10,000 | 0 | 10,000 |
| Accrued interest payable | 138,181 | 0 | 138,181 |
| Compensated absences | 511,757 | 0 | 511,757 |
| Long-term debt due within one year | 4,850,000 | 0 | 4,850,000 |
| Total current liabilities | $ 64,974,932 | $ 87,180 | $ 65,062,112 |
| Long-term liabilities: | | | |
| Long-term debt due more than one year | $ 20,000,000 | $ 0 | $ 20,000,000 |
| Net OPEB liability | 5,724,535 | 200,701 | 5,925,236 |
| Total long-term liabilities | $ 25,724,535 | $ 200,701 | $ 25,925,236 |
| **Total liabilities** | $ 90,699,467 | $ 287,881 | $ 90,987,348 |
| **Net position:** | | | |
| Invested in capital assets, net of related debt | $ 80,199,696 | $ 294,532 | $ 80,494,228 |
| Restricted for: | | | |
| Teacher salary supplement | 262,762 | 0 | 262,762 |
| Professional development | 431,554 | 0 | 431,554 |
| Market factor incentives | 40,997 | 0 | 40,997 |
| Four-year-old preschool state aid | 66,770 | 0 | 66,770 |
| Professional development for model core curriculum | 562,261 | 0 | 562,261 |
| Textbook aid for non-public students | 4,200 | 0 | 4,200 |
| Limited English Proficient | 94,887 | 0 | 94,887 |
| Student activities | 712,850 | 0 | 712,850 |
| Management levy | 4,137,818 | 0 | 4,137,818 |
| Physical plant and equipment levy | 3,054,729 | 0 | 3,054,729 |
| Capital projects | 12,971,708 | 0 | 12,971,708 |
| Debt service | 7,004,837 | 0 | 7,004,837 |
| Unrestricted | 20,945,199 | 545,461 | 21,490,660 |
| **Total net position** | $130,490,268 | $ 839,993 | $131,330,261 |

See notes to financial statements.

# Dubuque Community School District

## Statement of Activities

## Year Ended June 30, 2013

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|---|
| | 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 |
| **Functions/Programs** | | | | | | | |
| Governmental activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular instruction | $ 41,202,770 | $ 878,713 | $ 5,742,556 | $ 0 | $(34,581,501) | $ 0 | $ (34,581,501) |
| Special instruction | 23,537,426 | 2,041,021 | 7,614,862 | 0 | (13,881,543) | 0 | (13,881,543) |
| Other instruction | 13,015,288 | 1,981,133 | 416,835 | 0 | (10,617,320) | 0 | (10,617,320) |
| | $ 77,755,484 | $4,900,867 | $13,774,253 | $ 0 | $(59,080,364) | $ 0 | $ (59,080,364) |
| Support services: | | | | | | | |
| Student services | $ 5,505,944 | $ 0 | $ 513,435 | $ 0 | $ (4,992,509) | $ 0 | $ (4,992,509) |
| Instructional staff services | 4,602,597 | 0 | 500,381 | 0 | (4,102,216) | 0 | (4,102,216) |
| Administration services | 12,281,517 | 0 | 0 | 0 | (12,281,517) | 0 | (12,281,517) |
| Operation & maintenance of plant services | 9,102,217 | 0 | 0 | 0 | (9,102,217) | 0 | (9,102,217) |
| Transportation services | 4,420,179 | 38,310 | 375,964 | 0 | (4,005,905) | 0 | (4,005,905) |
| | $ 35,912,454 | $ 38,310 | $ 1,389,780 | $ 0 | $(34,484,364) | $ 0 | $ (34,484,364) |
| Non-instructional programs | $ 364,825 | $ 0 | $ 0 | $ 0 | $ (364,825) | $ 0 | $ (364,825) |
| AEA flowthrough | $ 4,515,012 | $ 0 | $ 4,515,012 | $ 0 | $ 0 | $ 0 | $ 0 |
| Interest and other charges | 511,466 | 0 | 0 | 0 | (511,466) | 0 | (511,466) |
| Other post-employment benefits | 777,152 | 0 | 0 | 0 | (777,152) | 0 | (777,152) |
| Depreciation and other expenses (unallocated)* | 4,243,202 | 0 | 0 | 0 | (4,243,202) | 0 | (4,243,202) |
| | $ 10,046,832 | $ 0 | $ 4,515,012 | $ 0 | $ (5,531,820) | $ 0 | $ (5,531,820) |
| Total governmental activities | $ 124,079,595 | $4,939,177 | $19,679,045 | $ 0 | $(99,461,373) | $ 0 | $ (99,461,373) |
| Business-type activities: | | | | | | | |
| Non-instructional programs: | | | | | | | |
| Nutrition services | $ 5,014,578 | $2,403,562 | $ 2,590,171 | $ 0 | $ 0 | $ (20,845) | $ (20,845) |
| Total | $129,094,173 | $7,342,739 | $22,269,216 | $ 0 | $(99,461,373) | $ (20,845) | $ (99,482,218) |
| **General Revenues:** | | | | | | | |
| Property tax levied for: | | | | | | | |
| General purposes | | | | | $ 42,464,403 | $ 0 | $ 42,464,403 |
| Capital outlay | | | | | 3,297,757 | 0 | 3,297,757 |
| Local option sales tax | | | | | 12,190,050 | 0 | 12,190,050 |
| Unrestricted state grants | | | | | 50,568,860 | 0 | 50,568,860 |
| Unrestricted investment earnings | | | | | 369,289 | 2,582 | 371,871 |
| Miscellaneous | | | | | 595,896 | 0 | 595,896 |
| Total general revenues | | | | | $109,486,255 | $ 2,582 | $109,488,837 |
| Transfers | | | | | 266,651 | (273,656) | (7,005) |
| Total general revenues and transfers | | | | | $109,752,906 | $ (271,074) | $109,481,832 |
| Change in net position | | | | | $ 10,291,533 | $ (291,919) | $ 9,999,614 |
| Net position beginning of year | | | | | 120,198,735 | 1,131,912 | 121,330,647 |
| Net position end of year | | | | | $130,490,268 | $ 839,993 | $131,330,261 |

* 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, 2013

| | General | Capital Projects Fund | Debt Service Fund | Special Revenue Fund | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and pooled investment | $34,500,076 | $16,133,961 | $6,944,836 | $ 5,024,741 | $ 62,603,614 |
| Receivables: | | | | | |
| Property tax: | | | | | |
| Delinquent | 310,176 | 25,205 | 0 | 41,428 | 376,809 |
| Succeeding year | 36,114,079 | 3,399,493 | 0 | 6,000,000 | 45,513,572 |
| Accounts | 119,219 | 0 | 0 | 0 | 119,219 |
| Interest: | | | | | |
| Other | 0 | 150,409 | 60,001 | 0 | 210,410 |
| Due from other governments | 4,904,362 | 1,850,589 | 0 | 0 | 6,754,951 |
| Inventories | 551,464 | 0 | 0 | 0 | 551,464 |
| Security Deposit | 10,000 | 0 | 0 | 0 | 10,000 |
| Total assets | $76,509,376 | $21,559,657 | $7,004,837 | $11,066,169 | $116,140,039 |
| **Liabilities and Fund Balances** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $1,852,897 | $2,128,116 | $ 0 | $ 32,305 | $ 4,013,318 |
| Salaries and benefits payable | 9,643,464 | 0 | 0 | 0 | 9,643,464 |
| Early retirement payable | 29,035 | 0 | 0 | 173,979 | 203,014 |
| Deferred revenue: | | | | | |
| Succeeding year property tax | 36,114,079 | 3,399,493 | 0 | 6,000,000 | 45,513,572 |
| Other | 76,798 | 5,611 | 0 | 9,217 | 91,626 |
| Security deposit payable | 10,000 | 0 | 0 | 0 | 10,000 |
| Total liabilities | $47,726,273 | $5,533,220 | $ 0 | $ 6,215,501 | $ 59,474,994 |
| Fund balances: | | | | | |
| Non-spendable: | | | | | |
| Inventory | $ 551,464 | $ 0 | $ 0 | $ 0 | $ 551,464 |
| Restricted for: | | | | | |
| Categorical funding: | | | | | |
| Teacher salary supplement | 262,762 | 0 | 0 | 0 | 262,762 |
| Professional development | 431,554 | 0 | 0 | 0 | 431,554 |
| Market factor incentives | 40,997 | 0 | 0 | 0 | 40,997 |
| Four-year-old preschool state aid | 66,770 | 0 | 0 | 0 | 66,770 |
| Professional development for model core curriculum | 562,261 | 0 | 0 | 0 | 562,261 |
| Textbook aid for non-public students | 4,200 | 0 | 0 | 0 | 4,200 |
| Limited English Proficient | 94,887 | 0 | 0 | 0 | 94,887 |
| Debt service | 0 | 0 | 7,004,837 | 0 | 7,004,837 |
| Management levy purposes | 0 | 0 | 0 | 4,137,818 | 4,137,818 |
| Student activities | 0 | 0 | 0 | 712,850 | 712,850 |
| School infrastructure | 0 | 12,971,708 | 0 | 0 | 12,971,708 |
| Physical plant and equipment | 0 | 3,054,729 | 0 | 0 | 3,054,729 |
| Unassigned | 26,768,208 | 0 | 0 | 0 | 26,768,208 |
| Total fund balances | $28,783,103 | $16,026,437 | $7,004,837 | $ 4,850,668 | $ 56,665,045 |
| **Total liabilities and fund balances** | $76,509,376 | $21,559,657 | $7,004,837 | $11,066,169 | $116,140,039 |

See notes to financial statements.

**Dubuque Community School District**

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position**

**Year Ended June 30, 2013**

| | | |
|---|---|---|
| **Total fund balances of governmental funds (page 35)** | | $ 56,665,045 |
| ***Amounts reported for governmental activities in the statement of net assets are different because:*** | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. | | 105,049,696 |
| 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. | | (138,181) |
| 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 | $ 511,757 | |
| Bonds payable | 24,850,000 | |
| Net OPEB liability | 5,724,535 | |
| | | (31,086,292) |
| **Net position of governmental activities (page 33)** | | $130,490,268 |

See notes to financial statements.

## Dubuque Community School District

## Statement of Revenues, Expenditures, and Changes in Fund Balances

## Governmental Funds

## Year Ended June 30, 2013

| | General | Capital Projects Fund | Debt Service Fund | Special Revenue Fund | Total |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Local sources: | | | | | |
| Local tax | $ 37,460,938 | $15,487,808 | $ 0 | $5,003,465 | $ 57,952,211 |
| Tuition | 2,364,636 | 0 | 0 | 0 | 2,364,636 |
| Other | 1,862,901 | 259,107 | 77,554 | 1,950,370 | 4,149,932 |
| State sources | 62,702,009 | 1,716 | 0 | 2,858 | 62,706,583 |
| Federal sources | 6,852,735 | 0 | 0 | 0 | 6,852,735 |
| Total revenues | $111,243,219 | $15,748,631 | $ 77,554 | $6,956,693 | $134,026,097 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular instruction | $ 40,706,822 | $ 61,120 | $ 0 | $ 412,710 | $ 41,180,652 |
| Special instruction | 23,348,053 | 0 | 0 | 185,245 | 23,533,298 |
| Other instruction | 10,997,304 | 226,868 | 0 | 1,856,228 | 13,080,400 |
| | $ 75,052,179 | $ 287,988 | $ 0 | $2,454,183 | $ 77,794,350 |
| Support services: | | | | | |
| Student services | $ 5,449,016 | $ 1,247 | $ 0 | $ 42,443 | $ 5,492,706 |
| Instructional staff services | 4,504,630 | 0 | 0 | 97,863 | 4,602,493 |
| Administration services | 10,342,824 | 1,789,472 | 0 | 257,330 | 12,389,626 |
| Operation and maintenance of plant services | 8,325,758 | 158,158 | 0 | 574,046 | 9,057,962 |
| Transportation services | 3,425,265 | 690,625 | 0 | 161,987 | 4,277,877 |
| | $ 32,047,493 | $ 2,639,502 | $ 0 | $1,133,669 | $ 35,820,664 |
| Non-instructional programs | $ 265,000 | $ 0 | $ 0 | $ 99,825 | $ 364,825 |
| Facilities acquisition | $ 0 | $14,520,178 | $ 0 | $ 0 | $ 14,520,178 |
| Debt service: | | | | | |
| Principal | 0 | 0 | 7,600,000 | 0 | 7,600,000 |
| Interest and other charges | 0 | 166,710 | 341,075 | 0 | 507,785 |
| AEA flowthrough | 4,515,012 | 0 | 0 | 0 | 4,515,012 |
| | $ 4,515,012 | $14,686,888 | $ 7,941,075 | $ 0 | $ 27,142,975 |
| Total expenditures | $111,879,684 | $17,614,378 | $ 7,941,075 | $3,687,677 | $141,122,814 |
| Excess (deficiency) of revenues over (under) expenditures | $ (636,465) | $ (1,865,747) | $(7,863,521) | $3,269,016 | $ (7,096,717) |
| Other financing sources: | | | | | |
| Revenue bonds issued | $ 0 | $10,071,376 | $ 0 | $ 0 | $ 10,071,376 |
| Sales of property and equipment | 103,759 | 2,272 | 0 | 0 | 106,031 |
| Transfers in | 366,323 | 76,805 | 8,026,411 | 0 | 8,469,539 |
| Transfers out | (7,256) | (8,033,416) | (69,800) | (85,411) | (8,195,883) |
| Net change in fund balances | $ (173,639) | $ 251,290 | $ 93,090 | $3,183,605 | $ 3,354,346 |
| Fund balances beginning of year | 28,956,742 | 15,775,147 | 6,911,747 | 1,667,063 | 53,310,699 |
| Fund balances end of year | $ 28,783,103 | $16,026,437 | $ 7,004,837 | $4,850,668 | $ 56,665,045 |

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, 2013

| | | |
|---|---|---|
| **Net change in fund balances – total governmental funds (page 37)** | | $ 3,354,346 |
| ***Amounts reported for governmental activities in the statement of activities are different because:*** | | |
| Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Position and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year as follows: | | |
| Expenditures for capital assets | $16,123,932 | |
| Depreciation expense | (4,718,202) | |
| | | 11,405,730 |
| 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. | | (1,238,116) |
| 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 Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issues, as | | |
| Issued | $(10,000,000) | |
| Repaid | 7,600,000 | |
| | | (2,400,000) |
| 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. | | (3,681) |
| 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 | $ (49,594) | |
| Other post-employment benefits | (777,152) | |
| | | (826,746) |
| **Change in net position of governmental activities (page 34)** | | $10,291,533 |

See notes to financial statements.

**Dubuque Community School District**

**Statement of Net Position**

**Proprietary Fund**

**June 30, 2013**

| | School Nutrition |
|---|---|
| **Assets:** | |
| Current assets: | |
| Cash | $ 763,848 |
| Inventories | 69,494 |
| Total current assets | $ 833,342 |
| Non-current assets: | |
| Capital assets, net of accumulated depreciation | 294,532 |
| **Total assets** | **$1,127,874** |
| **Liabilities:** | |
| Current liabilities: | |
| Accounts payable | $ 31 |
| Salaries and benefits payable | 4,245 |
| Unearned revenue | 82,904 |
| Total current liabilities | $ 87,180 |
| Non-current liabilities: | |
| Net OPEB liability | $ 200,701 |
| **Total liabilities** | **$ 287,881** |
| **Net Position:** | |
| Invested in capital assets | $ 294,532 |
| Unrestricted | 545,461 |
| **Total net position** | **$ 839,993** |

See notes to financial statements.

**Dubuque Community School District**

**Statement of Revenues, Expenses, and Changes in Fund Net Position**

**Proprietary Fund**

**Year Ended June 30, 2013**

| | School Nutrition |
|---|---|
| Operating revenue: | |
| Local sources: | |
| Charges for service | $ 2,402,214 |
| Other | 1,348 |
| Total operating revenue | $ 2,403,562 |
| | |
| Operating expenses: | |
| Non-instructional programs: | |
| Food service operations: | |
| Salaries | $ 1,725,615 |
| Benefits | 693,058 |
| Purchased services | 64,985 |
| Supplies | 2,467,038 |
| Depreciation | 63,287 |
| Loss on disposal of assets | 595 |
| Total operating expenses | $ 5,014,578 |
| | |
| Operating loss | $(2,611,016) |
| | |
| Non-operating revenue: | |
| State sources | $ 40,162 |
| Federal sources | 2,550,009 |
| Interest on investments | 2,582 |
| Total non-operating revenue | $ 2,592,753 |
| | |
| Net loss before transfers | $ (18,263) |
| Transfers in | 18,818 |
| Transfers out | (292,474) |
| Change in net position | $ (291,919) |
| | |
| Net position beginning of year | 1,131,912 |
| | |
| Net position end of year | $ 839,993 |

See notes to financial statements.

**Dubuque Community School District**

**Statement of Cash Flows**

**Proprietary Fund**

**Year Ended June 30, 2013**

| | School Nutrition |
|---|---|
| Cash flows from operating activities: | |
| Cash received from sale of lunches and breakfasts | $ 2,370,791 |
| Cash received from miscellaneous operating activities | 36,232 |
| Cash payments to employees for services | (2,390,133) |
| Cash payments to suppliers for goods or services | (2,203,196) |
| Net cash used in operating activities | $(2,186,306) |
| Cash flows from non-capital financing activities: | |
| State grants received | $ 40,162 |
| Federal grants received | 2,240,798 |
| Transfers from other funds | 18,818 |
| Transfers to other funds | (292,474) |
| Net cash provided by non-capital financing activities | $ 2,007,304 |
| Cash flows from capital and related financing activities: | |
| Acquisition of capital assets | $ (77,753) |
| Cash flows from investing activities: | |
| Interest on investments | 2,582 |
| Net decrease in cash and cash equivalents | $ (254,173) |
| Cash and cash equivalents at beginning of year | 1,018,021 |
| Cash and cash equivalents at end of year | $ 763,848 |

(continued)

**Dubuque Community School District**

**Statement of Cash Flows (continued)**

**Proprietary Fund**

**Year Ended June 30, 2013**

| | School Nutrition |
|---|---|
| **Reconciliation of operating loss to net cash used in operating activities:** | |
| Operating loss | $(2,611,016) |
| Adjustments to reconcile operating loss to net cash used in operation activities: | |
| Commodities used | 309,211 |
| Depreciation | 63,287 |
| Loss on disposal of assets | 595 |
| Decrease in inventories | 20,320 |
| (Decrease) in accounts payable | (671) |
| Increase in accrued salaries and benefits | 4,245 |
| Increase in unearned revenue (non-federal grants) | 3,428 |
| Increase in net OPEB liability | 24,295 |
| Net cash used in operating activities | $(2,186,306) |

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

During the year ended June 30, 2013, the District received $309,211 of Federal commodities.

See notes to financial statements.

**Dubuque Community School District**

**Statement of Fiduciary Net Position**

**Fiduciary Funds**

**June 30, 2013**

| | Private Purpose Trust | |
|---|---|---|
| | **Scholarship** | **Agency** |
| **Assets:** | | |
| Cash | $150,599 | $37,622 |
| **Liabilities:** | | |
| Other payables | $ 0 | $37,622 |
| **Net Position:** | | |
| Reserved for scholarships | $150,599 | $ 0 |

See notes to financial statements.

**Dubuque Community School District**

**Statement of Changes in Fiduciary Net Position**

**Fiduciary Funds**

**Year Ended June 30, 2013**

| | Private Purpose Trust |
|---|---|
| | **Total** |
| Additions: | |
| Local sources: | |
| Other local sources | $ 4,745 |
| Interest on investments | 403 |
| Total revenues | $ 5,148 |
| Deductions: | |
| Instruction: | |
| Regular instruction: | |
| Other | $ 11,851 |
| Change in net position | $ (6,703) |
| Net position beginning of year | 157,302 |
| Net position end of year | $150,599 |

See notes to financial statements.

## 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 Position 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.

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

B. Basis of Presentation: (continued)

The Statement of Net Position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is 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 position* results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

**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 position and changes in net position. 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.

**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 is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

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

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.

**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, 2011, assessed property valuations; is for the tax accrual period July 1, 2012, through June 30, 2013, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2012.

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 Position. 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.

**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 Position 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, 2013. 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 Position.

**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 Position – Net position represents the difference between assets and liabilities. Net position 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 position is 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 position is available, the District first applies restricted resources.

Net position restricted through enabling legislation include $1,463,431 for state funding, $12,971,708 for capital projects, $7,004,837 for debt service, $3,054,729 for physical plant and equipment levy, $4,137,818 for management levy purposes, and $712,850 for student activities.

**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, 2013, the book balance of the District's petty cash totaled $7,113 and the cash deposit balances totaled $57,207,915.

As of June 30, 2013, the District had investments as follows:

| Investment | Type | Issue Date | Term | Maturity Date | Amount |
|---|---|---|---|---|---|
| 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 | 06/05/13 | 9 months | 06/05/16 | 781,655 |
| Dubuque Bank & Trust | Certificate of Deposit | 05/22/12 | 134 months | 07/01/23 | 1,000,000 |
| | | | | | $6,340,655 |

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

**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, 2013, 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 | $ 7,113 |
| Cash deposits | 57,207,915 |
| Investments | 6,340,655 |
| | $63,555,683 |
| | |
| Governmental activities | $62,603,614 |
| Business-type activities | 763,848 |
| Fiduciary funds: | |
| Private Purpose Trust | 150,599 |
| Agency | 37,622 |
| | $63,555,683 |

**Note 3: Inter-fund Transfers**

The detail of inter-fund transfers for the year ended June 30, 2013, is as follows:

| Transfer to | Transfer from | Amount |
|---|---|---|
| Proprietary | General | $ 7,256 |
| Debt Service | Capital Projects | 8,026,411 |
| General | Proprietary | 292,474 |
| General | Special Revenue: Student Activity | 73,849 |
| Capital Projects | Debt Service | 69,800 |
| Proprietary | Special Revenue: Student Activity | 11,562 |
| Capital Projects (PPEL) | Capital Projects (LOST) | 7,005 |
| Total | | $8,488,357 |

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

Capital assets activity for the year ended June 30, 2013, 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 | 3,858,790 | 12,158,900 | (520,642) | 15,497,048 |
| Total capital assets not being depreciated | $ 11,111,152 | $12,158,900 | $ (520,642) | $ 22,749,410 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | $106,391,268 | $ 1,794,836 | $ (7,555) | $108,178,549 |
| Land improvements | 7,029,138 | 159,455 | (895,430) | 6,293,163 |
| Furniture and equipment | 21,357,697 | 2,531,383 | (2,229,841) | 21,659,239 |
| Total capital assets being depreciated | $134,778,103 | $ 4,485,674 | $(3,132,826) | $136,130,951 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | $ 32,746,751 | $ 2,684,365 | $ (3,588) | $ 35,427,528 |
| Land improvements | 4,422,727 | 216,279 | (407,074) | 4,231,932 |
| Furniture and equipment | 13,837,695 | 1,817,558 | (1,484,048) | 14,171,205 |
| Total accumulated depreciation | $ 51,007,173 | $ 4,718,202 | $(1,894,710) | $ 53,830,665 |
| Total capital assets being depreciated, net | $ 83,770,930 | $ (232,528) | $(1,238,116) | $ 82,300,286 |
| Governmental activities capital assets, net | $ 94,882,082 | $11,926,372 | $(1,758,758) | $105,049,696 |
| **Business-type Activities:** | | | | |
| Furniture and equipment | $ 1,531,662 | $ 77,753 | $ (25,895) | $ 1,583,520 |
| Less accumulated depreciation | 1,251,001 | 63,287 | (25,300) | 1,288,988 |
| Business-type activities capital assets, net | $ 280,661 | $ 14,466 | $ (595) | $ 294,532 |

**Note 4: Capital Assets: (continued)**

Depreciation expense was charged by the District as follows:

| | |
|---|---|
| Governmental activities: | |
| Instruction: | |
| Regular | $ 187,750 |
| Special | 22,110 |
| Other | 74,944 |
| Support services: | |
| Student services | 20,600 |
| Instructional staff | 104 |
| Administration | 587,140 |
| Operation and maintenance of plant | 153,596 |
| Transportation | 560,841 |
| Non-instructional programs | 0 |
| | $1,607,085 |
| Unallocated depreciation | 3,111,117 |
| Total governmental activities depreciation expense | $4,718,202 |
| Business-type activities: | |
| Food services | |
| Regular depreciation | $ 63,287 |

**Note 5: Long-term Liabilities**

Changes in long-term liabilities for the year ended June 30, 2013, are summarized as follows:

| | Balance Beginning of Year | Additions | Reductions | Balance End of Year | Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Revenue bonds | $22,450,000 | $10,000,000 | $7,600,000 | $24,850,000 | $4,850,000 |
| Compensated absences | 462,163 | 511,757 | 462,163 | 511,757 | 511,757 |
| Net OPEB liability | 4,947,383 | 777,152 | 0 | 5,724,535 | 0 |
| | $27,859,546 | $11,288,909 | $8,062,163 | $31,086,292 | $5,361,757 |
| Business type activities: | | | | | |
| Net OPEB liability | $ 176,406 | $ 24,295 | $ 0 | $ 200,701 | $ 0 |

**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, 2013, is as follows:

| | Summary – Debt Service Requirements to Maturity | | |
|---|---|---|---|
| **Year Ending June 30** | **Principal** | **Interest** | **Total** |
| 2014 | $ 4,850,000 | $ 354,008 | $ 5,204,008 |
| 2015 | 1,130,000 | 371,908 | 1,501,908 |
| 2016 | 1,140,000 | 354,883 | 1,494,883 |
| 2017 | 1,735,000 | 333,320 | 2,068,320 |
| 2018 | 1,750,000 | 307,183 | 2,057,183 |
| 2019 | 1,770,000 | 280,485 | 2,050,485 |
| 2020 | 1,800,000 | 251,900 | 2,051,900 |
| 2021 | 1,830,000 | 220,395 | 2,050,395 |
| 2022 | 1,860,000 | 185,746 | 2,045,746 |
| 2023 | 1,895,000 | 147,818 | 2,042,818 |
| 2024 | 1,000,000 | 117,402 | 1,117,402 |
| 2025 | 645,000 | 99,821 | 744,821 |
| 2026 | 660,000 | 85,132 | 745,132 |
| 2027 | 675,000 | 68,771 | 743,771 |
| 2028 | 690,000 | 50,850 | 740,850 |
| 2029 | 710,000 | 31,417 | 741,417 |
| 2030 | 710,000 | 15,150 | 725,150 |
| | $24,850,000 | $3,276,189 | $28,126,189 |

Details of the District's June 30, 2013, school infrastructure sales, services and use tax revenue refunding bond indebtedness are as follows:

| | | Series 2010B Bonds | | |
|---|---|---|---|---|
| **Year Ending June 30,** | **Interest Rate** | **Principal** | **Interest** | **Total** |
| 2014 | 2.00% | $4,850,000 | $58,500 | $4,908,500 |
| Total | | $4,850,000 | $58,500 | $4,908,500 |

**Note 5: Long-term Liabilities: (continued)**

**Series 2012 Bonds**

| Year Ending June 30, | Interest Rate | Principal | Interest | Total |
|---|---|---|---|---|
| 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 | $1,180,489 | $11,180,489 |

**Series 2013 Bonds**

| Year Ending June 30, | Interest Rate | Principal | Interest | Total |
|---|---|---|---|---|
| 2014 | 1.50% | $ 0 | $ 116,145 | $ 116,145 |
| 2015 | 1.50% | 565,000 | 196,783 | 761,783 |
| 2016 | 1.50% | 570,000 | 188,270 | 758,270 |
| 2017 | 1.50% | 570,000 | 179,720 | 749,720 |
| 2018 | 1.50% | 575,000 | 171,133 | 746,133 |
| 2019 | 1.50% | 580,000 | 162,470 | 742,470 |
| 2020 | 1.50% | 590,000 | 153,695 | 743,695 |
| 2021 | 1.50% | 600,000 | 144,770 | 744,770 |
| 2022 | 1.65% | 610,000 | 135,238 | 745,238 |
| 2023 | 1.75% | 620,000 | 124,780 | 744,780 |
| 2024 | 2.00% | 630,000 | 113,055 | 743,055 |
| 2025 | 2.15% | 645,000 | 99,821 | 744,821 |
| 2026 | 2.35% | 660,000 | 85,132 | 745,132 |
| 2027 | 2.55% | 675,000 | 68,771 | 743,771 |
| 2028 | 2.70% | 690,000 | 50,850 | 740,850 |
| 2029 | 2.85% | 710,000 | 31,417 | 741,417 |
| 2030 | 3.00% | 710,000 | 15,150 | 725,150 |
| | | $10,000,000 | $2,037,200 | $12,037,200 |

**Note 5: Long-term Liabilities: (continued)**

The District has pledged future statewide sales, services and use tax revenues to repay the $24,850,000 of bonds issued in March 2010, May 2012, and June 2013. The 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 June 2013 bonds were issued to provide funds for renovations, improvements and additions to Hempstead High School, Kennedy Elementary School, Carver Elementary School, Washington Middle School, renovations to the Jones Campus, and/or other school infrastructure projects as authorized by the electors. 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 2030. 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 $28,126,189.

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

a) $2,956,655 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.

b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.

c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.

d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all revenue-bond provisions during the year ended June 30, 2013.

During the year ended June 30, 2013, the District made interest payments totaling $341,075.

**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.

**Note 6: Pension and Retirement Benefits: (continued)**

Plan members are required to contribute 5.78% of their annual covered salary and the District is required to contribute 8.67% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2013, 2012, and 2011 were $5,734,626, $5,218,342, and $4,466,474, 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, 2013, the District has obligations to seventeen (17) participants with a total accrued liability of $203,014. These early retirement benefits will be paid July 1, 2013.

Early retirement benefits paid during the year ended June 30, 2013, totaled $1,277,920.

**Note 7: Other Post-employment Benefits**

Plan Description: The Dubuque Community School District sponsors a single-employer health care plan that provides medical and prescription drug benefits to all eligible active and retired employees and their eligible dependents. Retiree coverage begins at IPERS retirement age of at least 55 and continues until the retiree is Medicare eligible at age 65. Eligibility requirements under IPERS are summarized as follows: a) Normal Retirement – earliest of the first day of the month of employee's 65$^{th}$ 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.

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

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2013, the amount actuarially contributed to the plan and changes in the District's annual OPEB obligation:

| | |
|---|---|
| Annual required contribution | $1,362,563 |
| Interest on net OPEB obligation | 153,714 |
| Adjustment to annual required contribution | (170,793) |
| Annual OPEB cost (expenses) | $1,345,484 |
| Contributions and payments made | (544,037) |
| Increase in net OPEB obligation | $ 801,447 |
| | |
| Net OPEB obligation – June 30, 2012 | 5,123,789 |
| Net OPEB obligation – June 30, 2013 | $5,925,236 |

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, 2013.

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, 2013, are summarized as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---|---|---|---|
| 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 |
| June 30, 2013 | $1,345,484 | 40.4% | $5,925,236 |

Funded Status and Funding Progress: As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2012, through June 30, 2013, the actuarial accrued liability was $14.401 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $14.401 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately $66,143,315 and the ratio of the UAAL to covered payroll was 21.8%. As of June 30, 2013, there were no trust fund assets.

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

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

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

In the July 1, 2012, actuarial valuation the unit credit actuarial cost method was used. The actuarial assumptions included an annual health care cost trend rate of 4.1% initially, grading to 4.4%. 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, 2012, was 30 years.

**Note 8: Risk Management**

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

**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 $4,515,012 for the year ended June 30, 2013, and is recorded in the general fund by making a memorandum adjusting entry to the financial statements.

**Note 10: Construction and Other Commitments**

On April 8, 2013, the District signed a $30,343,000 contract for renovations to Hempstead High School. As of June 30, 2013, no change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 2013, no payments had been paid on the contract.

**Note 10: Construction and Other Commitments: (continued)**

On March 12, 2013, the District signed a $5,741,800 contract for the addition and remodel to Kennedy Elementary School. As of June 30, 2013, no change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 3013, $424,521 had been paid on the contract.

On January 15, 2013, the District signed a $586,919 contract for the addition to Carver Elementary School. As of June 30, 2013, $1,815 of change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 2013, $428,780 had been paid on the contract.

On April 8, 2013, the District signed a $286,623 contract for the elevator addition to the Alternative Learning Center. As of June 30, 2013, no change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 2013, $88,231 had been paid on the contract.

On June 10, 2013, the District signed a $1,192,000 contract for the multi-purpose room addition and remodel to Washington Middle School. As of June 30, 2013, no change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 2013, no payments had been paid on the contract.

On April 9, 2012, the District signed an $8,994,000 contract for the Dalzell Field renovation/Hempstead field improvements. As of June 30, 2013, $350,747 of change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 2013, $9,245,585 had been paid on the contract.

On February 26, 2013, the District signed a $1,269,000 contract for the heating/ventilation/air conditioning of Sageville Elementary School. As of June 30, 2013, $16,385 of change orders had been added to the project. Funding will come from the sales tax fund. As of June 30, 2013, $702,699 had been paid on the contract.

On April 16, 2013, the District signed a $210,000 contract for asphalt replacement at the Forum/Warehouse. As of June 30, 2013, no change orders had been added to the project. Funding will come from the physical plant and equipment levy. As of June 30, 2013, no payments had been paid on the contract.

At June 30, 2013, the District has approximately $1,904,943 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 statements:

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

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

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

- 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 position reporting requirements. The requirements of the related Statement are effective for financial statements for periods beginning after December 15, 2011. This Statement had no effect on the District in the current year.

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

As of June 30, 2013, 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. 65, *Items Previously Reported as Assets and Liabilities* in March 2012. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012, with earlier application encouraged.

- The GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62* in March 2012. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012, with earlier application encouraged.

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

- The GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* in June 2012. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013, with earlier application encouraged.

- The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* in June 2012. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014, with earlier application encouraged.

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, 2013

| | Actual Amounts | | | Budgeted Amounts | | |
|---|---|---|---|---|---|---|
| | Governmental Funds | Proprietary Fund | Total | Original | Amended * | Final to Actual Variance |
| **Revenues:** | | | | | | |
| Local sources | $ 64,466,779 | $2,406,144 | $ 66,872,923 | $ 64,430,226 | $ 0 | **$ 2,442,697** |
| State sources | 62,706,583 | 40,162 | 62,746,745 | 63,213,036 | 0 | **(466,291)** |
| Federal sources | 6,852,735 | 2,550,009 | 9,402,744 | 9,154,100 | 0 | **248,644** |
| Total revenues | $134,026,097 | $4,996,315 | $139,022,412 | $136,797,362 | $ 0 | **$ 2,225,050** |
| **Expenditures:** | | | | | | |
| Instruction | $ 77,794,350 | $ 0 | $ 77,794,350 | $ 82,903,000 | $ 0 | **$ 5,108,650** |
| Support services | 35,820,664 | 0 | 35,820,664 | 37,751,082 | 0 | **1,930,418** |
| Non-instructional programs | 364,825 | 5,014,578 | 5,379,403 | 5,678,258 | 0 | **298,855** |
| Other expenditures | 27,142,975 | 0 | 27,142,975 | 28,068,355 | 0 | **925,380** |
| Total expenditures | $141,122,814 | $5,014,578 | $146,137,392 | $154,400,695 | $ 0 | **$ 8,263,303** |
| Excess (deficiency) of revenues over expenditures | $ (7,096,717) | $ (18,263) | $ (7,114,980) | $ (17,603,333) | $ 0 | **$10,488,353** |
| Other financing sources, net | 10,451,063 | (273,656) | 10,177,407 | 9,600 | 0 | **10,167,807** |
| Excess (deficiency) of revenues and other financing sources over expenditures | $ 3,354,346 | $ (291,919) | $ 3,062,427 | $ (17,593,733) | $ 0 | **$20,656,160** |
| Balances beginning of year | 53,310,699 | 1,131,912 | 54,442,611 | 49,581,453 | 0 | **4,861,158** |
| Balances end of year | $ 56,665,045 | $ 839,993 | $ 57,505,038 | $ 31,987,720 | $ 0 | **$25,517,318** |

* Note: No budget amendment was made in FY 2012-13

See accompanying independent auditor's report.

## Dubuque Community School District

## Notes to Required Supplementary Information – Budgetary Reporting

## Year Ended June 30, 2013

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 did not adopt any budget amendments.

## Dubuque Community School District

## Schedule of Funding Progress for the Retiree Health Benefit Plan

## Required Supplementary Information

## June 30, 2013

| Fiscal Year Ended | Actuarial Valuation Date | Actuarial Value of Net Position (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] |
|---|---|---|---|---|---|---|---|
| 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% |
| 2013 | 7/1/2012 | $0 | $14,401,113 | $14,401,113 | 0.0% | $66,143,315 | 21.8% |

IPERS covered payroll for FY 2013

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, 2013

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, 2013

| | Special Revenue | | |
|---|---|---|---|
| | Management Levy | Student Activity | Total |
| **Assets** | | | |
| Cash | $ 4,308,190 | $716,551 | $ 5,024,741 |
| Receivables: | | | |
| Property tax: | | | |
| Delinquent | 41,428 | 0 | 41,428 |
| Succeeding year | 6,000,000 | 0 | 6,000,000 |
| **Total assets** | $10,349,618 | $716,551 | $11,066,169 |
| **Liabilities and Fund Equity** | | | |
| Liabilities: | | | |
| Accounts payable | $ 28,604 | $ 3,701 | $ 32,305 |
| Early retirement payable | 173,979 | 0 | 173,979 |
| Deferred revenue: | | | |
| Succeeding year property tax | 6,000,000 | 0 | 6,000,000 |
| Other | 9,217 | 0 | 9,217 |
| Total liabilities | $ 6,211,800 | $ 3,701 | $ 6,215,501 |
| Fund balances: | | | |
| Restricted for: | | | |
| Management levy purposes | $ 4,137,818 | $ 0 | $ 4,137,818 |
| Student activities | 0 | 712,850 | 712,850 |
| Total fund balances | $ 4,137,818 | $712,850 | $ 4,850,668 |
| **Total liabilities and fund equity** | $10,349,618 | $716,551 | $11,066,169 |

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, 2013

| | Special Revenue | | |
|---|---|---|---|
| | **Management Levy** | **Student Activity** | **Total** |
| **Revenues:** | | | |
| Local sources: | | | |
| Local tax | $5,003,465 | $ 0 | $5,003,465 |
| Other | 90,105 | 1,860,265 | 1,950,370 |
| State sources | 2,858 | 0 | 2,858 |
| Total revenues | $5,096,428 | $1,860,265 | $6,956,693 |
| **Expenditures:** | | | |
| Current: | | | |
| Instruction: | | | |
| Regular instruction | $ 412,710 | $ 0 | $ 412,710 |
| Special instruction | 185,245 | 0 | 185,245 |
| Other instruction | 4,301 | 1,851,927 | 1,856,228 |
| Support services: | | | |
| Student services | 42,443 | 0 | 42,443 |
| Instructional staff services | 97,863 | 0 | 97,863 |
| Administration services | 257,330 | 0 | 257,330 |
| Operation and maintenance of plant services | 574,046 | 0 | 574,046 |
| Transportation services | 159,573 | 2,414 | 161,987 |
| Non-instructional programs | 99,825 | 0 | 99,825 |
| Total expenditures | $1,833,336 | $1,854,341 | $3,687,677 |
| Excess (deficiency) of revenues over (under) expenditures | $3,263,092 | $ 5,924 | $3,269,016 |
| Other financing sources: | | | |
| Operating transfers out | $ 0 | $ (85,411) | $ (85,411) |
| Net change in fund balances | $3,263,092 | $ (79,487) | $3,183,605 |
| Fund balances beginning of year | 874,726 | 792,337 | 1,667,063 |
| Fund balances end of year | $4,137,818 | $ 712,850 | $4,850,668 |

See accompanying independent auditor's report.

## Dubuque Community School District

## Capital Project Accounts

## Capital Projects Fund

## Year Ended June 30, 2013

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, 2013

| | Capital Projects | | |
|---|---|---|---|
| | Statewide Sales, Services, and Use Tax | Physical Plant and Equipment Levy | Total |
| **Assets** | | | |
| Cash and pooled investments | $12,744,501 | $3,389,460 | $16,133,961 |
| Receivables: | | | |
| Property tax: | | | |
| Delinquent | 0 | 25,205 | 25,205 |
| Succeeding year | 0 | 3,399,493 | 3,399,493 |
| Interest | 150,409 | 0 | 150,409 |
| Due from other governments | 1,850,589 | 0 | 1,850,589 |
| **Total assets** | $14,745,499 | $6,814,158 | $21,559,657 |
| **Liabilities and Fund Balances** | | | |
| Liabilities: | | | |
| Accounts payable | $ 1,773,791 | $ 354,325 | $ 2,128,116 |
| Deferred revenue: | | | |
| Succeeding year property tax | 0 | 3,399,493 | 3,399,493 |
| Other | 0 | 5,611 | 5,611 |
| Total liabilities | $ 1,773,791 | $3,759,429 | $ 5,533,220 |
| Fund balances: | | | |
| Restricted for: | | | |
| School infrastructure | $12,971,708 | $ 0 | $12,971,708 |
| Physical plant and equipment | 0 | 3,054,729 | 3,054,729 |
| Total fund balances | $12,971,708 | $3,054,729 | $16,026,437 |
| **Total liabilities and fund balances** | $14,745,499 | $6,814,158 | $21,559,657 |

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, 2013

| | Capital Projects | | |
|---|---|---|---|
| | Statewide Sales, Services, and Use Tax | Physical Plant and Equipment Levy | Total |
| **Revenues:** | | | |
| Local sources: | | | |
| Local tax | $12,190,050 | $3,297,758 | $15,487,808 |
| Other | 253,253 | 5,854 | 259,107 |
| State sources | 0 | 1,716 | 1,716 |
| Federal sources | 0 | 0 | 0 |
| Total revenues | $12,443,303 | $3,305,328 | $15,748,631 |
| **Expenditures:** | | | |
| Current: | | | |
| Instruction: | | | |
| Regular instruction | $ 0 | $ 61,120 | $ 61,120 |
| Other instruction | 75,055 | 151,813 | 226,868 |
| | $ 75,055 | $ 212,933 | $ 287,988 |
| Support services: | | | |
| Student services | $ 0 | $ 1,247 | $ 1,247 |
| Administration services | 1,682,740 | 106,732 | 1,789,472 |
| Operation and maintenance of plant services | 0 | 158,158 | 158,158 |
| Transportation services | 0 | 690,625 | 690,625 |
| | $ 1,682,740 | $ 956,762 | $ 2,639,502 |
| Facilities acquisition | $13,129,927 | $1,390,251 | $14,520,178 |
| Debt service: | | | |
| Principal | 0 | 0 | 0 |
| Interest and other charges | 166,710 | 0 | 166,710 |
| | $13,296,637 | $1,390,251 | $14,686,888 |
| Total expenditures | $15,054,432 | $2,559,946 | $17,614,378 |
| Excess (deficiency) of revenues over (under) expenditures | $(2,611,129) | $ 745,382 | $(1,865,747) |
| Other financing sources: | | | |
| Revenue bonds issued | $10,071,376 | $ 0 | $10,071,376 |
| Sales of property and equipment | 0 | 2,272 | 2,272 |
| Transfers in | 69,800 | 7,005 | 76,805 |
| Transfers out | (8,033,416) | 0 | (8,033,416) |
| Net change in fund balances | $ (503,369) | $ 754,659 | $ 251,290 |
| Fund balances beginning of year | 13,475,077 | 2,300,070 | 15,775,147 |
| Fund balances end of year | $12,971,708 | $3,054,729 | $16,026,437 |

See accompanying independent auditor's report.

## Dubuque Community School District

## Schedule of Changes in Special Revenue Fund, Student Activity Accounts

## Year Ended June 30, 2013

| | Balance June 30, 2012 | Revenues | Expenditures | Balance June 30, 2013 |
|---|---|---|---|---|
| Senior High Schools: | | | | |
| Alternative Learning Center | $ 3,150 | $ 1,382 | $ 3,361 | $ 1,171 |
| Stephen Hempstead | 215,279 | 516,865 | 521,732 | 210,412 |
| Dubuque Senior | 201,181 | 701,311 | 642,245 | 260,247 |
| Total Senior High Schools | $419,610 | $1,219,558 | $1,167,338 | $471,830 |
| Middle Schools: | | | | |
| Jefferson | $ 73,517 | $ 44,784 | $ 36,147 | $ 82,154 |
| Washington | 33,972 | 49,102 | 46,310 | 36,764 |
| Roosevelt | 96,836 | 52,493 | 56,503 | 92,826 |
| Total Middle Schools | $204,325 | $ 146,379 | $ 138,960 | $211,744 |
| Elementary Schools: | | | | |
| Audubon | $ 18,440 | $ 469 | $ 11,936 | $ 6,973 |
| Bryant | 5,829 | 4,786 | 9,608 | 1,007 |
| Eisenhower | 5,107 | 1,922 | 6,499 | 530 |
| Carver | 9,821 | 6,547 | 15,368 | 1,000 |
| Fulton | 23,073 | 6,190 | 28,763 | 500 |
| Hoover | 27,104 | 9,344 | 33,419 | 3,029 |
| Irving | 27,900 | 5,605 | 31,349 | 2,156 |
| Kennedy | 9,783 | 480 | 8,396 | 1,867 |
| Lincoln | 7,841 | 5,451 | 12,248 | 1,044 |
| Marshall | 13,187 | 6,864 | 17,988 | 2,063 |
| Prescott | 4,600 | 2,228 | 5,481 | 1,347 |
| Sageville | 2,527 | 591 | 2,655 | 463 |
| Table Mound | 12,380 | 4,337 | 12,906 | 3,811 |
| Jones Hand-in-Hand Preschool | 352 | 0 | 0 | 352 |
| Total Elementary Schools | $167,944 | $ 54,814 | $ 196,616 | $ 26,142 |
| Athletic reserve | $ (2,662) | $ 431,555 | $ 430,432 | $ (1,539) |
| District instrumental music | 3,120 | 7,959 | 6,406 | 4,673 |
| | $ 458 | $ 439,514 | $ 436,838 | $ 3,134 |
| Grand Total | $792,337 | $1,860,265 | $1,939,752 | $712,850 |

See accompanying independent auditor's report.

## Dubuque Community School District

## Schedule of Changes in Fiduciary Net Position

## Fiduciary Funds

## Year Ended June 30, 2013

| | Private Purpose Trust | | | | |
|---|---|---|---|---|---|
| | Trust | Scholarships | | | |
| | Prescott Elementary Trust | Dubuque Senior High School Scholarships | Stephen Hempstead High School Scholarships | Alternative Learning Center Scholarship | Total |
| Additions: | | | | | |
| Local sources: | | | | | |
| Other local sources | $ 0 | $ 2,765 | $ 1,980 | $ 0 | $ 4,745 |
| Interest on investments | 41 | 278 | 83 | 1 | 403 |
| Total revenues | $ 41 | $ 3,043 | $ 2,063 | $ 1 | $ 5,148 |
| Deductions: | | | | | |
| Instruction: | | | | | |
| Regular instruction: | | | | | |
| Other | $ 0 | $ 7,701 | $ 4,150 | $ 0 | $ 11,851 |
| Change in net position | $ 41 | $ (4,658) | $ (2,087) | $ 1 | $ (6,703) |
| Net position beginning of year | $15,617 | $107,273 | $33,771 | $641 | $157,302 |
| Net position end of year | $15,658 | $102,615 | $31,684 | $642 | $150,599 |

See accompanying independent auditor's report.

## Dubuque Community School District

## Schedule of Changes in Fiduciary Assets and Liabilities

## Agency Fund

## Year Ended June 30, 2013

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash | $40,061 | $29,228 | $31,667 | $37,622 |
| Total assets | $40,061 | $29,228 | $31,667 | $37,622 |
| **Liabilities** | | | | |
| Other payables | $40,061 | $29,228 | $31,667 | $37,622 |
| Total liabilities | $40,061 | $29,228 | $31,667 | $37,622 |

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 | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| **Revenues:** | | | | |
| Local sources: | | | | |
| Local tax | $ 57,952,211 | $ 59,573,803 | $ 56,970,220 | $ 55,448,603 |
| Tuition | 2,364,636 | 2,264,001 | 2,146,825 | 2,229,601 |
| Other | 4,149,932 | 3,237,573 | 3,523,606 | 3,716,733 |
| State sources | 62,706,583 | 62,040,783 | 60,409,551 | 52,410,026 |
| Federal sources | 6,852,735 | 7,729,416 | 9,393,044 | 12,657,914 |
| Total | $134,026,097 | $134,845,576 | $132,443,246 | $126,462,877 |
| **Expenditures:** | | | | |
| Instruction: | | | | |
| Regular instruction | $ 41,180,652 | $ 40,768,416 | $ 39,582,892 | $ 40,345,167 |
| Special instruction | 23,533,298 | 22,492,388 | 21,727,446 | 22,461,743 |
| Other instruction | 13,080,400 | 12,840,284 | 12,144,120 | 11,483,872 |
| Support services: | | | | |
| Student services | 5,492,706 | 5,252,695 | 5,034,660 | 5,053,316 |
| Instructional staff services | 4,602,493 | 3,984,983 | 3,566,495 | 3,422,804 |
| Administration services | 12,389,626 | 12,341,464 | 12,875,379 | 10,602,780 |
| Operation and maintenance of plant services | 9,057,962 | 8,702,928 | 8,406,122 | 8,554,178 |
| Transportation services | 4,277,877 | 4,120,582 | 4,003,962 | 3,465,091 |
| Non-instructional programs | 364,825 | 135,718 | 155,648 | 306,817 |
| Other expenditures: | | | | |
| Facilities acquisition | 14,520,178 | 4,919,944 | 1,471,553 | 3,547,438 |
| Debt service: | | | | |
| Principal | 7,600,000 | 7,200,000 | 8,710,000 | 33,299,833 |
| Interest and fiscal charges | 507,785 | 556,069 | 524,654 | 1,323,733 |
| AEA flowthrough | 4,515,012 | 4,496,822 | 4,922,517 | 4,802,377 |
| TIF property tax payment to City and other property taxes | 0 | 0 | 0 | 0 |
| City street assessments | 0 | 0 | 0 | 0 |
| Total | $141,122,814 | $127,812,293 | $123,125,448 | $148,669,149 |

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 | | | | | |
|---|---|---|---|---|---|
| **2009** | **2008** | **2007** | **2006** | **2005** | **2004** |
| $ 53,527,722 | $ 49,698,676 | $ 47,166,139 | $ 43,695,073 | $ 40,863,268 | $36,562,089 |
| 2,054,271 | 1,974,497 | 1,970,036 | 1,591,829 | 1,522,456 | 1,236,803 |
| 3,845,347 | 4,531,034 | 4,342,335 | 4,853,070 | 3,776,111 | 3,267,111 |
| 60,032,976 | 57,095,921 | 51,611,486 | 47,796,591 | 44,019,322 | 41,348,965 |
| 6,694,658 | 4,296,825 | 3,460,383 | 3,630,635 | 3,035,986 | 3,274,481 |
| $126,154,974 | $117,596,953 | $108,550,379 | $101,567,198 | $ 93,217,143 | $85,689,449 |
| $ 41,870,736 | $ 39,315,976 | $ 36,383,897 | $ 34,064,192 | $ 31,370,284 | $28,594,425 |
| 22,934,962 | 19,711,873 | 17,799,574 | 16,289,430 | 14,828,336 | 13,290,321 |
| 8,923,625 | 9,841,978 | 9,059,837 | 8,659,689 | 8,018,424 | 7,673,923 |
| 5,093,057 | 4,893,096 | 4,422,022 | 4,285,632 | 3,944,056 | 3,753,351 |
| 3,552,175 | 3,755,466 | 3,615,550 | 4,135,111 | 3,960,303 | 3,579,280 |
| 10,349,190 | 10,428,962 | 10,120,152 | 9,499,497 | 8,165,361 | 7,615,556 |
| 8,958,199 | 9,118,255 | 8,564,905 | 8,312,753 | 6,382,867 | 6,237,741 |
| 3,019,418 | 3,145,333 | 3,729,525 | 3,364,702 | 3,108,408 | 3,006,514 |
| 93,675 | 143,549 | 133,012 | 166,235 | 183,046 | 236,125 |
| 3,718,729 | 6,024,792 | 18,839,199 | 21,353,125 | 29,054,751 | 7,451,272 |
| 7,466,208 | 4,496,208 | 1,036,209 | 101,208 | 7,000,000 | 0 |
| 1,482,355 | 1,675,126 | 1,542,704 | 1,236,956 | 491,732 | 0 |
| 4,321,171 | 4,106,863 | 3,803,870 | 3,532,385 | 3,307,910 | 3,233,844 |
| 229 | 25,690 | 26,248 | 26,248 | 0 | 0 |
| 0 | 0 | 79,548 | 0 | 0 | 0 |
| $121,783,729 | $116,683,167 | $119,156,252 | $115,027,163 | $119,815,478 | $84,672,352 |

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

**Table 1**

## Dubuque Community School District

## Net Position by Components

## Last Ten Fiscal Years *

**(accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Governmental activities: | | | | |
| Invested in capital assets, net of related debt | $ 80,199,696 | $ 72,432,082 | $ 72,646,181 | $64,429,213 |
| Restricted | 29,345,373 | 25,752,325 | 18,245,575 | 17,404,114 |
| Unrestricted | 20,945,199 | 22,014,328 | 13,348,662 | 5,121,609 |
| **Total governmental activities net position** | $130,490,268 | $120,198,735 | $104,240,418 | $86,954,936 |
| Business-type activities: | | | | |
| Invested in capital assets, net of related debt | $ 294,532 | $ 280,661 | $ 311,734 | $ 399,217 |
| Restricted | 0 | 0 | 0 | 0 |
| Unrestricted | 545,461 | 851,251 | 934,055 | 861,361 |
| **Total business-type activities net position** | $ 839,993 | $ 1,131,912 | $ 1,245,789 | $ 1,260,578 |
| Primary government: | | | | |
| Invested in capital assets, net of related debt | $ 80,494,228 | $ 72,712,743 | $ 72,957,915 | $64,828,430 |
| Restricted | 29,345,373 | 25,752,325 | 18,245,575 | 17,404,114 |
| Unrestricted | 21,490,660 | 22,865,579 | 14,282,717 | 5,982,970 |
| **Total primary government net position** | $131,330,261 | $121,330,647 | $105,486,207 | $88,215,514 |

**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 Position by Components**

**Last Ten Fiscal Years ***

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $59,780,783 | $53,355,696 | $43,446,260 | $41,984,932 | $29,300,136 | $28,108,806 |
| 9,206,811 | 8,920,643 | 6,559,669 | 5,713,421 | 2,201,244 | 2,161,357 |
| 7,757,840 | 4,416,579 | 5,627,070 | 8,371,837 | 15,351,153 | 8,563,967 |
| $76,745,434 | $66,692,918 | $55,632,999 | $56,070,190 | $46,852,533 | $38,834,130 |
| $ 442,195 | $ 483,616 | $ 537,950 | $ 518,906 | $ 477,625 | $ 487,797 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 808,733 | 882,625 | 877,323 | 714,858 | 707,623 | 763,024 |
| $ 1,250,928 | $ 1,366,241 | $ 1,415,273 | $ 1,233,764 | $ 1,185,248 | $ 1,250,821 |
| $60,222,978 | $53,839,312 | $43,984,210 | $42,503,838 | $29,777,761 | $28,596,603 |
| 9,206,811 | 8,920,643 | 6,559,669 | 5,713,421 | 2,201,244 | 2,161,357 |
| 8,566,573 | 5,299,204 | 6,504,393 | 9,086,695 | 16,058,776 | 9,326,991 |
| $77,996,362 | $68,059,159 | $57,048,272 | $57,303,954 | $48,037,781 | $40,084,951 |

**Table 2**

## Dubuque Community School District

## Expenses, Program Revenues, and Net (Expense) Revenue

## Last Ten Fiscal Years *

**(accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Expenses: | | | | |
| Governmental activities: | | | | |
| Instruction | $ 77,755,484 | $ 76,200,554 | $ 73,398,582 | $ 74,580,509 |
| Student services | 5,505,944 | 5,262,498 | 4,916,281 | 5,064,842 |
| Instructional staff services | 4,602,597 | 3,988,500 | 3,582,091 | 3,442,464 |
| Administration services | 12,281,517 | 11,285,684 | 12,704,945 | 10,704,315 |
| Operation and maintenance of plant services | 9,102,217 | 8,800,056 | 8,123,156 | 8,658,932 |
| Transportation services | 4,420,179 | 4,040,587 | 3,511,033 | 3,521,943 |
| Non-instructional programs | 364,825 | 134,228 | 157,526 | 309,415 |
| AEA flowthrough | 4,515,012 | 4,496,822 | 4,922,517 | 4,802,377 |
| TIF property tax payment and street assessments to City | 0 | 0 | 0 | 0 |
| Interest on long-term debt | 344,756 | 317,750 | 487,800 | 1,271,952 |
| Bond costs | 166,710 | 143,819 | 1,000 | 316,635 |
| Other post-employment benefits | 777,152 | 1,432,116 | 1,380,724 | 1,044,119 |
| Depreciation (unallocated) | 4,243,202 | 3,110,181 | 2,259,167 | 3,230,537 |
| **Total governmental activities expenses** | $124,079,595 | $119,212,795 | $115,444,822 | $116,948,040 |
| Business-type activities: | | | | |
| Nutrition services | $ 5,014,578 | $ 4,829,167 | $ 4,609,057 | $ 4,562,590 |
| **Total business-type activities expenses** | $ 5,014,578 | $ 4,829,167 | $ 4,609,057 | $ 4,562,590 |
| **Total primary government expenses** | $129,094,173 | $124,041,962 | $120,053,879 | $121,510,630 |

(Continued on the following page.)

**Table 2**

**Dubuque Community School District**

**Expenses, Program Revenues, and Net (Expense) Revenue**

**Last Ten Fiscal Years ***

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $ 74,524,139 | $ 67,010,362 | $ 68,921,618 | $57,066,744 | $53,686,035 | $50,509,332 |
| 5,147,311 | 4,766,058 | 4,813,824 | 4,149,153 | 3,908,916 | 3,843,081 |
| 3,607,500 | 3,677,598 | 3,873,716 | 3,987,756 | 3,955,118 | 3,655,740 |
| 10,590,758 | 10,125,713 | 10,955,010 | 9,174,908 | 8,137,338 | 7,825,390 |
| 9,011,009 | 8,835,601 | 8,967,625 | 7,960,412 | 6,417,589 | 6,422,972 |
| 3,501,716 | 3,683,632 | 3,738,099 | 3,259,502 | 3,120,256 | 3,003,369 |
| 96,998 | 142,067 | 138,771 | 161,802 | 177,698 | 245,163 |
| 4,321,171 | 4,106,863 | 3,803,870 | 3,532,385 | 3,307,910 | 3,233,844 |
| 229 | 25,690 | 105,796 | 26,248 | 0 | 0 |
| 1,482,355 | 1,675,126 | 1,542,704 | 1,120,477 | 608,211 | 0 |
| 0 | 0 | 23,615 | 128,710 | 279,056 | 0 |
| 1,090,424 | 0 | 0 | 0 | 0 | 0 |
| 3,090,034 | 2,745,092 | 2,227,645 | 1,875,361 | 1,839,243 | 1,019,290 |
| $116,463,644 | $106,793,802 | $109,112,293 | $92,443,458 | $85,437,370 | $79,758,181 |
| $ 4,336,522 | $ 4,159,239 | $ 3,949,212 | $ 3,957,058 | $ 3,720,132 | $ 3,383,859 |
| $ 4,336,522 | $ 4,159,239 | $ 3,949,212 | $ 3,957,058 | $ 3,720,132 | $ 3,383,859 |
| $120,800,166 | $110,953,041 | $113,061,505 | $96,400,516 | $89,157,502 | $83,142,040 |

**Table 2**

## Dubuque Community School District

## Expenses, Program Revenues, and Net (Expense) Revenue

## Last Ten Fiscal Years *

**(accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Program revenues: | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Instruction | $ 4,900,867 | $ 4,441,216 | $ 4,481,908 | $ 4,343,293 |
| Support services | 38,310 | 39,417 | 35,099 | 34,133 |
| Operating grants and contributions | 19,679,045 | 20,298,874 | 22,162,557 | 25,152,465 |
| Capital grants and contributions | 0 | 0 | 61,864 | 88,137 |
| **Total governmental activities program revenues** | $ 24,618,222 | $ 24,779,507 | $ 26,741,428 | $ 29,618,028 |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Nutrition services | $ 2,403,562 | $ 2,471,310 | $ 2,505,477 | $ 2,520,337 |
| Operating grants and contributions | 2,590,171 | 2,517,574 | 2,362,623 | 2,365,458 |
| **Total business-type program revenues** | $ 4,993,733 | $ 4,988,884 | $ 4,868,100 | $ 4,885,795 |
| **Total primary government program revenues** | $ 29,611,955 | $ 29,768,391 | $ 31,609,528 | $ 34,503,823 |
| Net (expense) revenue: | | | | |
| Governmental activities | $(99,461,373) | $(94,433,288) | $(88,703,394) | $(87,330,012) |
| Business-type activities | (20,845) | 159,717 | 259,043 | 323,205 |
| **Total primary government net expense** | $(99,482,218) | $(94,273,571) | $(88,444,351) | $(87,006,807) |

**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 ***

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $ 4,139,082 | $ 4,181,758 | $ 4,234,503 | $ 3,897,690 | $ 3,737,360 | $ 3,311,107 |
| 29,432 | 26,076 | 27,342 | 28,613 | 34,366 | 30,411 |
| 21,261,442 | 15,582,180 | 12,145,764 | 11,319,335 | 9,686,214 | 8,891,172 |
| 0 | 5,850 | 50,750 | 325,600 | 358,598 | 919,717 |
| $ 25,429,956 | $ 19,795,864 | $ 16,458,359 | $ 15,571,238 | $ 13,816,538 | $ 13,152,407 |
| $ 2,484,568 | $ 2,369,246 | $ 2,425,845 | $ 2,404,627 | $ 2,036,599 | $ 1,922,552 |
| 1,992,219 | 1,823,216 | 1,793,501 | 1,675,198 | 1,605,625 | 1,488,839 |
| $ 4,476,787 | $ 4,192,462 | $ 4,219,346 | $ 4,079,825 | $ 3,642,224 | $ 3,411,391 |
| $ 29,906,743 | $ 23,988,326 | $ 20,677,705 | $ 19,651,063 | $ 17,458,762 | $ 16,563,798 |
| $(91,033,688) | $(86,997,938) | $(92,653,934) | $(76,872,220) | $(71,620,832) | $(66,605,774) |
| 140,265 | 33,223 | 270,134 | 122,767 | (77,908) | 27,532 |
| $(90,893,423) | $(86,964,715) | $(92,383,800) | $(76,749,453) | $(71,698,740) | $(66,578,242) |

**Table 3**

## Dubuque Community School District

## General Revenues and Total Change in Net Position

## Last Ten Fiscal Years *

**(accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Net (expenses) revenue: | | | | |
| Governmental activities | $(99,461,373) | $(94,430,288) | $ (88,703,394) | $(87,330,012) |
| Business-type activities | (20,845) | 159,717 | 259,043 | 323,205 |
| **Total primary government net expense** | $(99,482,218) | $(94,270,571) | $ (88,444,351) | $(87,006,807) |
| General revenues and other changes in net position: | | | | |
| Governmental activities: | | | | |
| Property tax levied for general purposes | $ 42,464,403 | $ 45,002,685 | $ 43,385,106 | $ 42,170,729 |
| Property tax levied for capital outlay | 3,297,757 | 3,135,590 | 3,006,514 | 2,857,384 |
| Local option sales tax | 12,190,050 | 11,435,526 | 10,578,600 | 10,420,491 |
| Unrestricted state grants | 50,568,860 | 49,804,874 | 47,873,056 | 40,152,782 |
| Investment earnings | 369,289 | 455,973 | 539,547 | 747,429 |
| Miscellaneous | 595,896 | 281,764 | 318,999 | 854,031 |
| Transfers | 266,651 | 275,196 | 287,054 | 336,668 |
| **Total governmental activities** | $109,752,906 | $110,391,608 | $105,988,876 | $ 97,539,514 |
| Business-type activities: | | | | |
| Investment earnings | $ 2,582 | $ 6,034 | $ 13,222 | $ 23,113 |
| Transfers | (273,656) | (279,628) | (287,054) | (336,668) |
| **Total business-type activities** | $ (271,074) | $ (273,594) | $ (273,832) | $ (313,555) |
| Change in net position: | | | | |
| Governmental activities | $ 10,291,533 | $ 15,958,320 | $ 17,285,482 | $ 10,209,502 |
| Business-type activities | (291,919) | (113,877) | (14,789) | 9,650 |
| **Total primary government** | $ 9,999,614 | $ 15,844,443 | $ 17,270,693 | $ 10,219,152 |

**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 Position**

**Last Ten Fiscal Years ***

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $(91,033,688) | $(86,997,938) | $(92,653,934) | $(76,872,220) | $(71,620,832) | $(66,605,774) |
| 140,265 | 33,223 | 270,134 | 122,767 | (77,908) | 27,532 |
| $(90,893,423) | $(86,964,715) | $(92,383,800) | $(76,749,453) | $(71,698,740) | $(66,578,242) |
| $ 40,684,264 | $ 36,598,441 | $ 34,446,462 | $ 31,504,694 | $ 28,605,783 | $ 25,066,047 |
| 2,737,058 | 2,532,490 | 2,470,364 | 2,374,392 | 2,286,154 | 3,935,949 |
| 10,106,400 | 10,567,745 | 10,249,312 | 9,815,987 | 9,971,691 | 7,560,094 |
| 46,053,267 | 46,501,356 | 43,373,049 | 40,715,113 | 37,729,169 | 35,135,131 |
| 682,349 | 774,912 | 1,013,746 | 793,031 | 472,063 | 180,465 |
| 543,975 | 959,573 | 539,087 | 792,744 | 574,375 | 870,586 |
| 278,891 | 123,340 | 124,723 | 93,916 | 0 | 0 |
| $101,086,204 | $ 98,057,857 | $ 92,216,743 | $ 86,089,877 | $ 79,639,235 | $ 72,748,272 |
| $ 23,313 | $ 44,086 | $ 36,098 | $ 19,665 | $ 12,335 | $ 10,029 |
| (278,891) | (126,341) | (124,723) | (93,916) | 0 | 0 |
| $ (255,578) | $ (82,255) | $ (88,625) | $ (74,251) | $ 12,335 | $ 10,029 |
| $ 10,052,516 | $ 11,059,919 | $ (437,191) | $ 9,217,657 | $ 8,018,403 | $ 6,142,498 |
| (115,313) | (49,032) | 181,509 | 48,516 | (65,573) | 37,561 |
| $ 9,937,203 | $ 11,010,887 | $ (255,682) | $ 9,266,173 | $ 7,952,830 | $ 6,180,059 |

**Table 4**

## Dubuque Community School District

## Fund Balances, Governmental Funds

## Last Ten Years

**(modified accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| General Fund: | | | | |
| Nonspendable | $ 551,464 | $ 626,239 | $ 644,808 | $ 0 |
| Restricted | 1,463,431 | 1,398,368 | 1,894,368 | 0 |
| Unassigned | 26,768,208 | 26,932,135 | 16,911,942 | 0 |
| Reserved | 0 | 0 | 0 | 1,343,743 |
| Unreserved | 0 | 0 | 0 | 7,449,116 |
| **Total General Fund** | $28,783,103 | $28,956,742 | $19,451,118 | $ 8,792,859 |
| All other governmental funds: | | | | |
| Nonspendable | $ 0 | $ 0 | $ 0 | $ 0 |
| Restricted | 27,881,942 | 24,353,957 | 16,354,207 | 0 |
| Unassigned | 0 | 0 | 0 | 0 |
| Reserved | 0 | 0 | 0 | 8,600,545 |
| Unreserved, reported in | | | | |
| Capital projects fund | 0 | 0 | 0 | 4,427,498 |
| Debt service fund | 0 | 0 | 0 | 72,864 |
| Special revenue funds | 0 | 0 | 0 | 3,506,028 |
| **Total all other governmental funds** | $27,881,942 | $24,353,957 | $16,354,207 | $16,606,935 |
| **Total all governmental funds** | $56,665,045 | $53,310,699 | $35,805,325 | $25,399,794 |

**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**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 1,541,028 | 1,283,675 | 738,613 | 618,359 | 539,237 | 563,349 |
| 4,393,552 | (573,069) | 21,603 | 1,174,798 | 3,956,557 | 4,740,667 |
| $ 5,934,580 | $ 710,606 | $ 760,216 | $ 1,793,157 | $ 4,495,794 | $ 5,304,016 |
| $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 6,947,435 | 7,017,199 | 5,339,534 | 4,408,492 | 3,508,070 | 634,585 |
| 3,271,080 | 4,039,660 | 5,258,518 | 6,967,955 | 8,448,569 | 3,631,442 |
| 115,299 | 124,370 | 46,382 | 0 | 0 | 0 |
| 2,259,376 | 1,903,504 | 1,220,135 | 1,304,929 | 1,509,653 | 1,526,772 |
| $12,593,190 | $13,084,733 | $11,864,569 | $12,681,376 | $13,466,292 | $ 5,792,799 |
| $18,527,770 | $13,795,339 | $12,624,785 | $14,474,533 | $17,962,086 | $11,096,815 |

**Table 5**

## Dubuque Community School District

## Governmental Funds Revenue

## Last Ten Years

**(modified accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Local sources: | | | | |
| Local tax | $ 57,952,211 | $ 59,573,803 | $ 56,970,220 | $ 55,448,603 |
| Tuition | 2,364,636 | 2,264,001 | 2,146,825 | 2,229,601 |
| Other | 4,149,932 | 3,237,573 | 3,523,607 | 3,716,733 |
| **Total local sources** | $ 64,466,779 | $ 65,075,377 | $ 62,640,652 | $ 61,394,937 |
| State sources: | | | | |
| State sources | $ 62,706,583 | $ 62,040,783 | $ 60,409,551 | $ 52,410,026 |
| **Total state sources** | $ 62,706,583 | $ 62,040,783 | $ 60,409,551 | $ 52,410,026 |
| Federal sources: | | | | |
| Federal sources | $ 6,852,735 | $ 7,729,416 | $ 9,393,044 | $ 12,657,914 |
| **Total federal sources** | $ 6,852,735 | $ 7,729,416 | $ 9,393,044 | $ 12,657,914 |
| **Total governmental funds revenue** | $134,026,097 | $134,845,576 | $132,443,247 | $126,462,877 |

**Source:** *District Financial Records*

**Table 5**

**Dubuque Community School District**

**Governmental Funds Revenue**

**Last Ten Years**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $ 53,527,722 | $ 49,698,676 | $ 47,166,139 | $ 43,695,073 | $40,863,628 | $36,562,089 |
| 2,054,271 | 1,974,497 | 1,970,036 | 1,591,829 | 1,522,456 | 1,236,803 |
| 3,845,347 | 4,531,034 | 4,342,335 | 4,853,070 | 3,776,111 | 3,267,111 |
| $ 59,427,340 | $ 56,204,207 | $ 53,478,510 | $ 50,139,972 | $46,162,195 | $41,066,003 |
| $ 60,032,976 | $ 57,095,921 | $ 51,611,486 | $ 47,796,591 | $44,019,322 | $41,348,965 |
| $ 60,032,976 | $ 57,095,921 | $ 51,611,486 | $ 47,796,591 | $44,019,322 | $41,348,965 |
| $ 6,694,658 | $ 4,296,825 | $ 3,460,383 | $ 3,630,635 | $ 3,035,986 | $ 3,274,481 |
| $ 6,694,658 | $ 4,296,825 | $ 3,460,383 | $ 3,630,635 | $ 3,035,986 | $ 3,274,481 |
| $126,154,974 | $117,596,953 | $108,550,379 | $101,567,198 | $93,217,503 | $85,689,449 |

**Table 6**

**Dubuque Community School District**

**Revenue by Source – General Fund**

**Last Ten Fiscal Years**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| Local sources | | | | | |
| Taxes | $ 37,460,938 | $ 43,252,276 | $ 41,381,061 | $ 39,500,291 | $ 38,480,604 |
| Tuition | 2,364,636 | 2,264,001 | 2,146,825 | 2,229,601 | 2,054,271 |
| Transportation | 38,311 | 39,418 | 35,099 | 34,133 | 29,432 |
| Interest | 79,149 | 154,800 | 212,981 | 306,352 | 210,070 |
| Student activities | 153,964 | 307,725 | 321,686 | 279,663 | 257,654 |
| Other local revenues | 1,591,477 | 889,746 | 904,610 | 958,946 | 1,176,120 |
| **Subtotal local revenue** | $ 41,688,475 | $ 46,907,966 | $ 45,002,262 | $ 43,308,986 | $ 42,208,151 |
| State sources | | | | | |
| State foundation aid | $ 48,166,131 | $ 47,711,831 | $ 44,937,511 | $ 37,662,216 | $ 45,392,552 |
| Instructional support | 0 | 0 | 0 | 0 | 174,406 |
| AEA flowthrough | 4,515,012 | 4,496,822 | 4,922,517 | 4,802,377 | 4,321,171 |
| Other state revenue | 10,020,866 | 9,829,379 | 10,546,522 | 9,941,876 | 10,141,446 |
| **Subtotal state revenue** | $ 62,702,009 | $ 62,038,032 | $ 60,406,550 | $ 52,406,469 | $ 60,029,575 |
| Federal sources | | | | | |
| Title I | $ 1,806,912 | $ 1,613,871 | $ 1,667,226 | $ 1,685,273 | $ 1,665,591 |
| Other federal revenue | 5,045,823 | 6,115,545 | 7,663,954 | 10,884,504 | 5,029,067 |
| **Subtotal federal revenue** | $ 6,852,735 | $ 7,729,416 | $ 9,331,180 | $ 12,569,777 | $ 6,694,658 |
| Other sources | $ 470,082 | $ 498,391 | $ 611,753 | $ 406,526 | $ 407,252 |
| **Total revenue** | $111,713,301 | $117,173,805 | $115,351,745 | $108,691,758 | $109,339,636 |

**Source:** *District Financial Records*

**Table 6**

**Dubuque Community School District**

**Revenue by Source – General Fund**

**Last Ten Fiscal Years**

| 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|
| $ 34,543,982 | $32,342,730 | $29,605,400 | $26,909,744 | $25,028,794 |
| 1,974,497 | 1,970,036 | 1,591,829 | 1,522,456 | 1,236,802 |
| 26,076 | 27,342 | 28,613 | 34,366 | 30,411 |
| 185,034 | 323,806 | 359,018 | 179,315 | 144,928 |
| 240,278 | 242,785 | 337,557 | 311,667 | 313,304 |
| 1,433,500 | 1,036,089 | 1,270,377 | 1,199,592 | 1,023,635 |
| $ 38,403,367 | $35,942,788 | $33,192,794 | $30,157,140 | $27,777,874 |
| $ 45,809,960 | $42,708,273 | $40,133,528 | $37,225,810 | $34,862,444 |
| 182,466 | 183,625 | 185,665 | 180,835 | 191,977 |
| 4,106,863 | 3,803,870 | 3,532,385 | 3,307,910 | 3,233,844 |
| 6,993,167 | 4,912,063 | 3,941,314 | 3,300,989 | 3,037,374 |
| $ 57,092,456 | $51,607,831 | $47,792,892 | $44,015,544 | $41,325,639 |
| $ 1,630,564 | $ 1,347,870 | $ 1,187,939 | $ 1,182,778 | $ 1,158,797 |
| 2,666,262 | 2,112,513 | 2,442,696 | 1,853,208 | 1,605,901 |
| $ 4,296,826 | $ 3,460,383 | $ 3,630,635 | $ 3,035,986 | $ 2,764,698 |
| $ 238,586 | $ 199,506 | $ 125,987 | $ 15,182 | $ 13,944 |
| $100,031,235 | $91,210,508 | $84,742,308 | $77,223,852 | $71,882,155 |

**Table 7**

## Dubuque Community School District

## Governmental Funds Expenditures and Debt Service Ratio

## Last Ten Years

**(modified accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Instruction | $ 77,794,350 | $ 76,101,088 | $ 73,454,458 | $ 74,290,782 |
| Student services | 5,492,706 | 5,252,695 | 5,034,660 | 5,053,316 |
| Instructional staff services | 4,602,493 | 3,984,983 | 3,566,495 | 3,422,804 |
| Administration services | 12,389,626 | 12,341,464 | 12,875,379 | 10,602,780 |
| Operation and maintenance of plant services | 9,057,962 | 8,702,928 | 8,406,122 | 8,554,178 |
| Transportation services | 4,277,877 | 4,120,582 | 4,003,962 | 3,465,091 |
| Non-instructional services | 364,825 | 135,718 | 155,648 | 306,817 |
| Facilities acquisition | 14,520,178 | 4,919,944 | 1,471,553 | 3,547,438 |
| Debt service: | | | | |
| Principal | 7,600,000 | 7,200,000 | 8,710,000 | 33,299,833 |
| Interest | 341,075 | 412,250 | 523,617 | 1,007,098 |
| AEA flowthrough | 4,515,012 | 4,496,822 | 4,922,517 | 4,802,377 |
| Other | 166,710 | 143,819 | 1,037 | 316,635 |
| **Total expenditures** | $141,122,814 | $127,812,293 | $123,125,448 | $148,669,149 |
| Debt service as a percentage of noncapital expenditures | 6.27% | 6.19% | 7.59% | 23.6% |

**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**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $ 73,729,323 | $ 68,869,827 | $ 63,243,308 | $ 59,013,311 | $ 54,217,044 | $49,558,669 |
| 5,093,057 | 4,893,096 | 4,422,022 | 4,285,632 | 3,944,056 | 3,753,351 |
| 3,552,175 | 3,755,466 | 3,615,550 | 4,135,111 | 3,960,303 | 3,579,280 |
| 10,349,190 | 10,428,962 | 10,120,152 | 9,499,497 | 8,165,361 | 7,615,556 |
| 8,958,199 | 9,118,255 | 8,564,905 | 8,312,753 | 6,382,867 | 6,237,741 |
| 3,019,418 | 3,145,333 | 3,729,525 | 3,364,702 | 3,108,408 | 3,006,514 |
| 93,675 | 143,549 | 133,012 | 166,235 | 183,046 | 236,125 |
| 3,718,729 | 6,024,792 | 18,839,199 | 21,353,125 | 29,054,751 | 7,451,272 |
| 7,466,208 | 4,496,208 | 1,036,209 | 101,208 | 7,000,000 | 0 |
| 1,482,355 | 1,675,126 | 1,542,704 | 1,236,956 | 491,732 | 0 |
| 4,321,171 | 4,106,863 | 3,803,870 | 3,532,385 | 3,307,910 | 3,233,844 |
| 229 | 25,690 | 105,796 | 26,248 | 0 | 0 |
| $121,783,729 | $116,683,167 | $119,156,252 | $115,027,163 | $119,815,478 | $84,672,352 |
| 7.58% | 5.58% | 2.57% | 1.43% | 8.25% | 0.00% |

**Table 8**

## Dubuque Community School District

## Expenses by Function - General Fund

## Last Ten Years

**(modified basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Instruction: | | | | |
| Regular | $ 40,706,822 | $ 39,611,990 | $ 38,569,286 | $ 39,316,368 |
| Special | 23,348,053 | 22,048,080 | 21,514,318 | 22,216,791 |
| Other | 10,997,304 | 11,261,238 | 10,389,358 | 9,951,775 |
| Total Instruction | $ 75,052,179 | $ 72,921,308 | $ 70,472,962 | $ 71,484,934 |
| Student Support Services: | | | | |
| Attendance and social work | $ 375,815 | $ 257,588 | $ 245,310 | $ 242,555 |
| Guidance services | 2,781,619 | 2,700,544 | 2,588,620 | 2,506,763 |
| Health and psychological services | 1,911,961 | 1,836,573 | 1,854,693 | 2,003,904 |
| Speech, pathology, & audiology | 379,621 | 369,530 | 258,457 | 253,437 |
| Total Student Support Services | $ 5,449,016 | $ 5,164,235 | $ 4,947,080 | $ 5,006,659 |
| Staff Instruction Services: | | | | |
| Improvement of instruction | $ 2,066,467 | $ 1,596,748 | $ 1,564,958 | $ 1,312,805 |
| Library media | 2,097,142 | 2,069,525 | 1,930,039 | 2,026,201 |
| Instruction-related technology | 341,021 | 214,859 | 3,713 | 3,381 |
| Total Staff Instruction Services | $ 4,504,630 | $ 3,881,132 | $ 3,498,710 | $ 3,342,387 |
| General Administration Services: | | | | |
| Board of education | $ 92,664 | $ 183,228 | $ 123,341 | $ 111,715 |
| Executive administration | 1,387,549 | 1,177,114 | 1,069,273 | 1,110,061 |
| Special area administration | 180,334 | 173,551 | 311,894 | 466,575 |
| Total General Administration Services | $ 1,660,547 | $ 1,533,893 | $ 1,504,508 | $ 1,688,351 |
| School Administration Services | $ 5,864,477 | $ 5,634,449 | $ 5,416,059 | $ 5,507,383 |
| Business & Central Services: | | | | |
| Business administration fiscal | $ 1,201,038 | $ 1,180,505 | $ 1,188,291 | $ 1,110,037 |
| Printing, publishing, & duplicating | 186,296 | 229,022 | 371,377 | 297,494 |
| Public information | 60,315 | 126,079 | 110,362 | 107,253 |
| Personnel | 195,659 | 219,393 | 217,204 | 201,459 |
| Administrative technology | 1,174,492 | 975,394 | 1,128,712 | 1,203,563 |
| Total Business & Central Services | $ 2,817,800 | $ 2,730,393 | $ 3,015,946 | $ 2,919,806 |
| Operation and Maintenance of Plant | $ 8,325,758 | $ 8,072,928 | $ 7,650,801 | $ 8,018,101 |
| Student Transportation | $ 3,425,265 | $ 3,171,242 | $ 3,171,723 | $ 2,811,825 |
| Central Support | $ 0 | $ 0 | $ 0 | $ 0 |
| Community Service Operations | $ 265,000 | $ 54,900 | $ 91,329 | $ 247,508 |
| Funds Transfer | $ 7,256 | $ 6,877 | $ 1,851 | $ 4,148 |
| AEA Flowthrough | $ 4,515,012 | $ 4,496,822 | $ 4,922,517 | $ 4,802,377 |
| **Total expenditures** | $111,886,940 | $107,668,179 | $104,693,486 | $105,833,479 |
| Percentage Increase (Decrease) | 3.92% | 2.84% | (1.08%) | 1.65% |

**Source:** *District Financial Records*

**Table 8**

## Dubuque Community School District

## Expenses by Function – General Fund

## Last Ten Years

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $ 40,417,644 | $ 38,358,714 | $35,059,099 | $33,274,986 | $29,148,693 | $27,474,796 |
| 22,579,460 | 19,516,753 | 17,742,545 | 16,891,696 | 18,062,783 | 16,329,878 |
| 7,303,035 | 8,210,378 | 7,396,413 | 6,345,494 | 3,115,198 | 3,110,542 |
| $ 70,300,139 | $ 66,085,845 | $60,198,057 | $56,512,176 | $50,326,674 | $46,915,216 |
| $ 216,417 | $ 213,433 | $ 183,463 | $ 147,791 | $ 150,878 | $ 148,893 |
| 2,628,026 | 2,583,096 | 2,414,892 | 2,374,275 | 2,225,657 | 2,117,862 |
| 1,952,039 | 1,802,329 | 1,549,048 | 1,494,243 | 1,318,042 | 1,258,221 |
| 248,044 | 252,735 | 199,376 | 225,371 | 225,793 | 207,690 |
| $ 5,044,526 | $ 4,851,593 | $ 4,346,779 | $ 4,241,680 | $ 3,920,370 | $ 3,732,666 |
| $ 1,502,253 | $ 1,743,510 | $ 1,617,242 | $ 1,280,695 | $ 2,306,189 | $ 2,004,643 |
| 1,961,782 | 1,936,232 | 1,940,853 | 1,886,064 | 1,595,313 | 1,548,446 |
| 5,285 | 349 | 3,693 | 494,209 | 0 | 0 |
| $ 3,469,320 | $ 3,680,091 | $ 3,561,788 | $ 3,660,968 | $ 3,901,502 | $ 3,553,089 |
| $ 152,068 | $ 116,152 | $ 113,031 | $ 101,427 | $ 87,987 | $ 100,820 |
| 1,039,931 | 929,460 | 865,829 | 824,070 | 528,747 | 491,586 |
| 395,637 | 342,743 | 321,244 | 353,238 | 0 | 0 |
| $ 1,587,636 | $ 1,388,355 | $ 1,300,104 | $ 1,278,735 | $ 616,734 | $ 592,406 |
| $ 5,529,464 | $ 5,600,024 | $ 5,296,832 | $ 4,894,650 | $ 4,457,028 | $ 4,131,948 |
| $ 1,091,848 | $ 1,187,387 | $ 1,140,121 | $ 1,058,216 | $ 751,017 | $ 732,334 |
| 306,609 | 415,914 | 432,423 | 401,308 | 399,017 | 398,632 |
| 107,409 | 151,130 | 125,116 | 130,467 | 7,016 | 0 |
| 188,015 | 189,884 | 179,552 | 174,671 | 266,792 | 0 |
| 1,159,867 | 1,109,396 | 1,177,286 | 1,119,177 | 991,319 | 0 |
| $ 2,853,748 | $ 3,053,711 | $ 3,054,498 | $ 2,883,839 | $ 2,415,161 | $ 1,130,966 |
| $ 8,243,558 | $ 8,322,151 | $ 7,899,172 | $ 7,496,659 | $ 6,348,564 | $ 6,096,635 |
| $ 2,741,183 | $ 2,897,710 | $ 2,707,252 | $ 2,842,768 | $ 2,557,825 | $ 2,444,137 |
| $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 1,033,807 |
| $ 15,269 | $ 88,352 | $ 74,089 | $ 101,085 | $ 180,307 | $ 178,189 |
| $ 9,648 | $ 6,150 | $ 1,008 | $ 0 | $ 0 | $ 0 |
| $ 4,321,171 | $ 4,106,863 | $ 3,803,870 | $ 3,532,385 | $ 3,307,910 | $ 3,233,844 |
| $104,115,662 | $100,080,845 | $92,243,449 | $87,444,945 | $78,032,075 | $73,042,903 |
| 4.03% | 8.50% | 5.49% | 12.06% | 6.83% | 5.12% |

**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** | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Excess of revenues over (under) expenditures | $(7,096,717) | $ 7,033,283 | $ 9,317,799 | $(22,206,272) |
| Other financing sources (uses): | | | | |
| Sales of property and equipment | $ 106,031 | $ 146,553 | $ 800,677 | $ 23,631 |
| Operating transfers in | 8,469,539 | 9,250,938 | 9,234,683 | 12,321,591 |
| Operating transfers out | (8,195,883) | (8,975,742) | (8,947,627) | (11,984,923) |
| Revenue bonds net proceeds | 10,071,376 | 10,050,343 | 0 | 28,717,997 |
| **Total other financing sources (uses)** | $10,451,063 | $10,472,092 | $ 1,087,733 | $ 29,078,296 |
| **Net change in fund balance** | $ 3,354,346 | $17,505,375 | $10,405,532 | $ 6,872,024 |

**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**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $4,371,245 | $ 913,786 | $(10,605,873) | $(13,459,965) | $(26,597,975) | $1,017,097 |
| $ 82,295 | $ 133,428 | $ 65,016 | $ 7,206 | $ 253,452 | $ 503,494 |
| 8,936,054 | 7,776,538 | 3,405,251 | 4,878,923 | 7,608,211 | 1,721 |
| (8,657,163) | (7,653,198) | (3,280,527) | (4,785,007) | (7,608,211) | (1,721) |
| | 0 | 8,566,385 | 9,871,290 | 33,209,794 | 1,320,817 |
| $ 361,186 | $ 256,768 | $ 8,756,125 | $ 9,972,412 | $ 33,463,246 | $1,824,311 |
| $4,732,431 | $ 1,170,554 | $ (1,849,748) | $ (3,487,553) | $ 6,865,271 | $2,841,408 |

**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: Residential Property | Actual Value: Commercial Property | Actual Value: Other Property | Actual Value: Total Property | Less Exemptions | Total Taxable Value | Total Direct Rate (*) |
|---|---|---|---|---|---|---|---|---|
| 2011 | 2013 | $3,636,383,604 | $1,108,148,171 | $556,660,706 | $5,301,192,481 | $1,901,700,042 | $3,399,492,439 | $14.60281 |
| 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 |

**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)**

| | Fiscal Year | District Direct Rates | | | | Overlapping Rates | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Levy Year | Ended June 30, | General Purposes | Capital Purposes | Management Purposes | Total | County | Community College | Board of Education and Independents | City of Dubuque | City of Asbury |
| 2011 | 2013 | $12.70671 | $1.00000 | $1.69717 | $15.40388 | $6.43124 | $0.98407 | $0.80305 | $10.78477 | $10.28790 |
| 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 |

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

**Table 12**

## Dubuque Community School District

## Principal Property Taxpayers

## Current Year and Nine Years Ago

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

| | 2013 (1) | | | 2004 (2) | | |
|---|---|---|---|---|---|---|
| **Taxpayer** | **Taxable Value** | **Rank** | **Percentage of Total Taxable Value** | **Taxable Value** | **Rank** | **Percentage of Total Taxable Value** |
| Peninsula Gaming Company LLC | $ 61,327 | 1 | 1.80% | | | |
| ITC Midwest LLC | 45,803 | 2 | 1.35% | | | |
| Deere & Co. | 35,959 | 3 | 1.06% | | | |
| Kennedy Mall | 29,096 | 4 | 0.86% | $ 23,608 | 1 | 1.00% |
| Progressive Processing LLC | 21,398 | 5 | 0.63% | | | |
| Medical Associates Realty | 21,308 | 6 | 0.63% | 20,952 | 2 | 0.89% |
| Nordstrom, Inc. | 15,599 | 7 | 0.46% | 16,060 | 4 | 0.68% |
| Walter Development | 16,885 | 8 | 0.50% | | | |
| Century Link | 16,485 | 9 | 0.48% | | | |
| McGraw Hill | 15,908 | 10 | 0.47% | 7,700 | 10 | 0.33% |
| Otto A LLC | | | | 17,532 | 3 | 0.75% |
| US West Communications | | | | 10,393 | 5 | 0.44% |
| Plaza 20 Inc. | | | | 10,034 | 6 | 0.43% |
| Minglewood Limited Partnership | | | | 8,944 | 7 | 0.38% |
| American Trust & Savings Bank | | | | 8,663 | 8 | 0.33% |
| Wal-Mart | | | | 7,744 | 9 | 0.33% |
| Total | $279,768 | | 8.24% | $131,630 | | 5.60% |

**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 |
| 2012-2013 | 2011 | $45,730,866 | $45,741,269 * | 100.02% | $20,891 | $45,762,160 | 100.07% |
| 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% |

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

* Utility replacement tax collections exceeded amount estimated by the Iowa Department of Management by $93,860.

Table 14

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

**(Unaudited)**

| | Governmental Activities | | | | Business-type Activities | | | |
|---|---|---|---|---|---|---|---|---|
| Fiscal Year | ISCAP Warrants Payable | Notes Payable | General Obligation Bonds | Sales Tax Revenue Bonds | | Total Primary Government | Percentage of Personal Income (a) | Per Capita (a) |
| 2013 | $ 0 | $ 0 | $ 0 | $24,850,000 | $ 0 | $24,850,000 | 0.6752% | $263 |
| 2012 | $ 0 | $ 0 | $ 0 | $22,450,000 | $ 0 | $22,450,000 | 0.6507% | $239 |
| 2011 | $ 0 | $ 0 | $ 0 | $19,650,000 | $ 0 | $19,650,000 | 0.5925% | $211 |
| 2010 | $ 0 | $ 0 | $ 0 | $28,360,000 | $ 0 | $28,360,000 | 0.8684% | $306 |
| 2009 | $5,000,000 | $ 0 | $ 0 | $33,299,833 | $ 0 | $38,299,833 | 1.2385% | $414 |
| 2008 | $5,000,000 | $ 0 | $ 0 | $40,766,042 | $ 0 | $45,766,042 | 1.5653% | $500 |
| 2007 | $1,185,000 | $ 0 | $ 0 | $45,262,250 | $ 0 | $46,447,250 | 1.6750% | $510 |
| 2006 | $ 0 | $ 0 | $ 0 | $37,708,458 | $ 0 | $37,708,458 | 1.4202% | $416 |
| 2005 | $ 0 | $ 0 | $ 0 | $27,809,667 | $ 0 | $27,809,667 | 1.1160% | $308 |
| 2004 | $ 0 | $ 0 | $ 0 | $ 1,320,817 | $ 0 | $ 1,320,817 | 0.0545% | $ 15 |

**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, 2013**

**(Unaudited)**

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (a) | Estimated Share of Direct and Overlapping Debt |
|---|---|---|---|
| City of Asbury | $ 11,039,621 | 100.00% | $ 11,039,621 |
| City of Dubuque | 201,992,417 | 100.00% | 201,992,417 |
| Dubuque County | 281,791 | 77.71% | 218,980 |
| Northeast Iowa Community College | 57,595,000 | 77.79% | 44,803,151 |
| **Subtotal, overlapping debt** | | | $258,054,169 |
| District direct debt | | | 24,850,000 |
| **Total direct and overlapping debt** | | | $282,904,169 |

**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.

**Table 16**

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

**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Debt Limit | $164,798,110 | $156,799,306 | $150,137,044 | $143,129,676 |
| Gross debt applicable to limit | $ 24,850,000 | $ 22,450,000 | $ 19,650,000 | $ 28,360,000 |
| Reserves for payments on debt | (7,004,837) | (6,911,747) | (5,704,327) | (7,875,854) |
| Total net debt applicable to limit | $ 17,845,163 | $ 15,538,253 | $ 13,945,673 | $ 20,484,146 |
| Legal debt margin | $146,952,947 | $141,261,053 | $136,191,371 | $122,645,530 |
| **Total net debt applicable to the limit as a percentage of debt limit** | 10.8% | 9.9% | 9.3% | 14.3% |

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

**Notes:**

(a) Actual taxable value includes Tax Increment Financing

(b) Code of Iowa Section 296.1

Legal Debt Margin Calculation for Fiscal Year 2013

| | |
|---|---|
| Actual taxable value (a) | $3,295,962,208 |
| Debt limit (5% of assessed value) (b) | 164,798,110 |
| Debt applicable to limit | (17,845,163) |
| Legal debt margin | $ 146,952,947 |

**Table 16**

**Dubuque Community School District**

**Legal Debt Margin Information**

**Last Ten Years**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| $136,679,349 | $126,398,436 | $123,409,322 | $118,853,099 | $114,819,315 | $110,030,132 |
| $ 33,299,833 | $ 40,766,042 | $ 45,262,250 | $ 37,708,458 | $ 27,809,667 | $ 1,320,817 |
| (6,209,000) | (6,209,000) | (4,559,000) | (3,700,000) | (2,700,000) | 0 |
| $ 27,090,833 | $ 34,557,042 | $ 40,703,250 | $ 34,008,458 | $ 25,109,667 | $ 1,320,817 |
| $109,588,516 | $ 91,841,394 | $ 82,706,072 | $ 84,844,641 | $ 89,709,648 | $108,709,315 |
| 19.8% | 27.3% | 33.0% | 28.6% | 21.9% | 1.2% |

Table 17

## Dubuque Community School District

## Pledged - Revenue Coverage

## Last Ten Fiscal Years

**(Unaudited)**

| | | | | | Estimated Debt Service and Coverage on the Bonds (without Revenue Growth) | | | Estimated Debt Service and Coverage on the Bonds (with Revenue Growth) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Debt Service | | | | Debt Service | | | Debt Service | |
| Fiscal Year | Actual Sales Tax Revenue | Principal | Interest | Coverage | Estimated Collection | Combined P & I | Estimated Coverage | Estimated Collection | 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 | $12,190,050 | $7,600,000 | $ 341,075 | 1.60 | | | | | | |
| 2014 | | | | | $ 9,659,658 | $2,536,017 | 3.809 | $ 9,659,658 | $2,536,017 | 3.809 |
| 2015 | | | | | $ 9,297,680 | $1,503,433 | 6.184 | $ 9,293,388 | $1,503,433 | 6.181 |
| 2016 | | | | | $ 9,499,153 | $2,081,333 | 4.564 | $ 9,499,153 | $2,081,333 | 4.564 |
| 2017 | | | | | $ 9,698,531 | $2,070,308 | 4.685 | $ 9,698,531 | $2,070,308 | 4.685 |
| 2018 | | | | | $ 9,900,207 | $2,064,058 | 4.796 | $ 9,900,207 | $2,064,058 | 4.796 |
| 2019 | | | | | $ 9,942,102 | $2,066,913 | 4.810 | $10,104,130 | $2,066,913 | 4.889 |
| 2020 | | | | | $ 9,942,102 | $2,066,888 | 4.810 | $10,310,243 | $2,066,888 | 4.988 |
| 2021 | | | | | $ 9,942,102 | $2,063,903 | 4.817 | $10,518,485 | $2,063,903 | 5.096 |
| 2022 | | | | | $ 9,942,102 | $2,062,588 | 4.820 | $10,728,792 | $2,062,588 | 5.202 |
| 2023 | | | | | $ 9,942,102 | $1,128,050 | 8.814 | $10,941,091 | $1,128,050 | 9.699 |
| 2024 | | | | | $ 9,942,102 | $ 751,755 | 13.225 | $11,155,309 | $ 751,755 | 14.839 |
| 2025 | | | | | $ 9,942,102 | $ 752,888 | 13.205 | $11,371,365 | $ 752,888 | 15.104 |
| 2026 | | | | | $ 9,942,102 | $ 752,378 | 13.214 | $11,589,173 | $ 752,378 | 15.403 |
| 2027 | | | | | $ 9,942,102 | $ 750,165 | 13.253 | $11,808,641 | $ 750,165 | 15.741 |
| 2028 | | | | | $ 9,942,102 | $ 751,535 | 13.229 | $12,029,673 | $ 751,535 | 16.007 |
| 2029 | | | | | $ 9,942,102 | $ 431,300 | 23.051 | $12,252,167 | $ 431,300 | 28.408 |
| 2030 | | | | | $ 6,801,547 | $ 304,500 | 22.337 | $ 8,516,017 | $ 304,500 | 27.967 |

**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) |
|---|---|---|---|---|---|
| 2013 | 94,648 | $3,680,443,000 | $38,886 | N/A | 10,513.3 |
| 2012 | 93,888 | $3,450,110,000 | $36,747 | 4.8% | 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 |

**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 2006**

**(Unaudited)**

| | 2013 (1) | | | 2006 (2) | | |
|---|---|---|---|---|---|---|
| **Taxpayer** | **# of Employees** | **Rank** | **Percentage of Total Employment** | **# of Employees** | **Rank** | **Percentage of Total Employment** |
| John Deere | 2,400 | 1 | 4.68% | 1,900 | 1 | 3.35% |
| Dubuque Community Schools | 1,946 | 2 | 3.79% | 1,410 | 2 | 2.85% |
| IBM, Corp. | 1,300 | 3 | 2.53% | | | |
| Medical Associates Clinic, P.C. | 1,046 | 4 | 2.04% | 998 | 5 | 1.87% |
| Mercy Medical Center | 1,000 | 5 | 1.95% | 1,324 | 3 | 2.49% |
| Finley Hospital | 859 | 6 | 1.67% | 920 | 7 | 1.41% |
| City of Dubuque | 691 | 7 | 1.35% | 716 | 10 | 0.97% |
| Diamond Jo Casino | 600 | 8 | 1.17% | | | |
| Eagle Window & Door | 550 | 9 | 1.07% | 950 | 6 | 1.30% |
| Prudential Retirement (3) | 528 | 10 | 1.03% | | | |
| McCoy Group (4) | | | | 1,200 | 4 | |
| Heartland Financial | | | | 760 | 8 | 1.16% |
| Flexsteel | | | | 750 | 9 | 1.15% |
| Total | 10,920 | | 21.29% | 10,928 | | 19.27% |

**Sources:**

*(1) Greater Dubuque Development Corp.*

*(2) Information provided from the City of Dubuque Comprehensive Annual Financial Report (Information for 2003 through 2005 not available).*

*(3) Was formerly CIGNA Retirement*

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

**Table 20**

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

**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| Supervisory: | | | | |
| Superintendent | 1.00 | 1.00 | 1.00 | 1.00 |
| Associate superintendent | 1.00 | 1.00 | 1.00 | 1.00 |
| Principals | 18.00 | 18.00 | 18.50 | 19.50 |
| Assistant principals | 13.00 | 13.00 | 12.00 | 11.00 |
| All other administrators | 9.00 | 6.00 | 7.50 | 10.50 |
| **Total supervisory** | 42.00 | 39.00 | 40.00 | 43.00 |
| Instruction: | | | | |
| Teachers - regular program | 623.14 | 604.40 | 590.53 | 638.87 |
| Teachers - special education program | 163.11 | 153.00 | 159.77 | 171.96 |
| Paraeducators - regular program | 84.34 | 82.23 | 75.57 | 53.82 |
| Paraeducators - special education program | 250.77 | 259.71 | 244.01 | 260.71 |
| **Total instruction** | 1,121.36 | 1,099.34 | 1,069.88 | 1,125.36 |
| Student services: | | | | |
| Guidance counselors | 30.00 | 30.00 | 31.00 | 30.00 |
| Nurses | 17.20 | 16.20 | 18.20 | 21.40 |
| Media specialists | 24.00 | 18.50 | 19.90 | 21.20 |
| Other student services staff | 14.00 | 12.00 | 9.00 | 9.00 |
| **Total student services** | 85.20 | 76.70 | 78.10 | 81.60 |
| Support and administration: | | | | |
| Clerical/secretarial | 76.75 | 77.75 | 79.00 | 79.88 |
| Custodial, maintenance, and mechanics | 98.00 | 98.00 | 103.00 | 111.00 |
| Food service | 82.64 | 80.48 | 78.39 | 78.25 |
| Bus drivers, attendants and truckers | 76.30 | 68.95 | 61.66 | 60.37 |
| Other support services staff | 14.00 | 11.50 | 12.50 | 12.50 |
| **Total support and administration** | 347.69 | 336.68 | 334.55 | 342.00 |
| **District Totals** | 1,596.25 | 1,551,72 | 1,522.53 | 1,591.96 |

**Source:** *District Payroll Records*

**Table 20**

**Dubuque Community School District**

**Full-time Equivalent District Employees by Type**

**Last Ten Years**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| 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 | 19.50 | 19.00 | 19.00 | 19.00 | 18.00 |
| 14.00 | 14.00 | 15.00 | 13.00 | 10.00 | 10.00 |
| 11.50 | 13.25 | 13.75 | 15.00 | 15.00 | 14.00 |
| 47.00 | 48.75 | 49.75 | 49.00 | 46.00 | 44.00 |
| 639.09 | 675.16 | 654.68 | 636.07 | 585.21 | 566.10 |
| 174.36 | 170.00 | 161.50 | 156.80 | 147.41 | 143.50 |
| 54.38 | 56.51 | 56.66 | 53.91 | 49.90 | 43.78 |
| 270.88 | 231.90 | 226.66 | 215.66 | 199.62 | 175.13 |
| 1,138.71 | 1,133.57 | 1,099.50 | 1,062.44 | 982.14 | 928.51 |
| 31.00 | 34.00 | 33.00 | 33.00 | 32.00 | 31.00 |
| 21.40 | 21.40 | 19.40 | 19.40 | 18.20 | 18.20 |
| 21.20 | 21.19 | 20.69 | 20.00 | 19.20 | 19.41 |
| 9.00 | 10.00 | 10.00 | 9.28 | 12.16 | 10.16 |
| 82.60 | 86.59 | 83.09 | 81.68 | 81.56 | 78.77 |
| 85.57 | 85.44 | 86.44 | 83.88 | 77.88 | 75.88 |
| 112.00 | 118.00 | 114.00 | 114.00 | 103.00 | 100.00 |
| 78.58 | 77.51 | 75.32 | 74.46 | 67.43 | 65.30 |
| 62.70 | 62.27 | 59.71 | 60.47 | 56.46 | 55.65 |
| 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 |
| 349.85 | 354.22 | 346.47 | 343.81 | 315.77 | 307.83 |
| 1,618.16 | 1,623.13 | 1,578.81 | 1,536.93 | 1,425.47 | 1,359.11 |

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 |
|---|---|---|---|---|---|---|---|---|---|---|
| 2013 | 10,513 | $111,886,940 | $10,643 | 3.50% | $124,079,595 | $11,802 | 3.65% | 786.25 | 13.37 | 39.00% |
| 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% |

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

**Table 22**

## Dubuque Community School District

## School Building Information

## Last Ten Years

**(modified accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| **Preschool:** | | | | |
| Jones Hand-in-Hand (1963) | | | | |
| Square feet | 26,427 | 26,427 | 26,427 | 26,427 |
| Capacity | 68 | 68 | 68 | 68 |
| Enrollment | 0 | 0 | 51 | 61 |
| **Elementary:** | | | | |
| Audubon (1973) | | | | |
| Square feet | 37,992 | 37,992 | 37,992 | 37,992 |
| Capacity | 336 | 336 | 336 | 336 |
| Enrollment | 259 | 290 | 259 | 309 |
| Bryant (1940) | | | | |
| Square feet | 30,724 | 30,724 | 30,724 | 30,724 |
| Capacity | 263 | 263 | 263 | 263 |
| Enrollment | 284 | 303 | 316 | 315 |
| Carver (2007) | | | | |
| Square feet | 66,202 | 66,202 | 66,202 | 66,202 |
| Capacity | 524 | 524 | 524 | 524 |
| Enrollment | 575 | 580 | 562 | 497 |
| Eisenhower (1970) | | | | |
| Square feet | 63,455 | 63,455 | 63,455 | 63,455 |
| Capacity | 460 | 460 | 460 | 460 |
| Enrollment | 525 | 523 | 547 | 557 |
| Fulton (1939) | | | | |
| Square feet | 35,098 | 35,098 | 35,098 | 35,098 |
| Capacity | 264 | 264 | 264 | 264 |
| Enrollment | 283 | 285 | 274 | 271 |
| Hoover (1970) | | | | |
| Square feet | 28,663 | 28,663 | 28,663 | 28,663 |
| Capacity | 231 | 231 | 231 | 231 |
| Enrollment | 282 | 246 | 258 | 278 |

**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**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| 26,427 | 26,427 | 26,427 | 26,427 | 26,427 | 26,427 |
| 184 | 184 | 184 | 184 | 400 | 400 |
| 71 | 155 | 164 | 126 | 350 | 277 |
| 37,992 | 37,992 | 37,992 | 37,992 | 37,992 | 37,992 |
| 390 | 390 | 390 | 390 | 390 | 390 |
| 284 | 292 | 344 | 337 | 370 | 368 |
| 30,724 | 30,724 | 30,724 | 30,724 | 30,724 | 30,724 |
| 390 | 390 | 390 | 390 | 390 | 390 |
| 321 | 330 | 317 | 309 | 339 | 318 |
| 66,202 | 66,202 | N/A | N/A | N/A | N/A |
| 624 | 624 | N/A | N/A | N/A | N/A |
| 435 | 416 | N/A | N/A | N/A | N/A |
| 63,455 | 63,455 | 63,455 | 63,455 | 63,455 | 63,455 |
| 624 | 624 | 624 | 624 | 624 | 624 |
| 547 | 527 | 581 | 589 | 644 | 599 |
| 35,098 | 35,098 | 35,098 | 35,098 | 35,098 | 35,098 |
| 312 | 312 | 312 | 312 | 312 | 312 |
| 215 | 252 | 265 | 195 | 298 | 307 |
| 28,663 | 28,663 | 28,663 | 28,663 | 28,663 | 28,663 |
| 312 | 312 | 312 | 312 | 312 | 312 |
| 281 | 283 | 336 | 318 | 353 | 334 |

**Table 22**

## Dubuque Community School District

## School Building Information

## Last Ten Years

**(modified accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| **Elementary:** | | | | |
| Irving (1951) | | | | |
| Square feet | 79,064 | 79,064 | 79,064 | 79,064 |
| Capacity | 492 | 492 | 492 | 492 |
| Enrollment | 537 | 540 | 525 | 494 |
| Kennedy (1965) | | | | |
| Square feet | 52,953 | 52,953 | 52,953 | 52,953 |
| Capacity | 491 | 491 | 491 | 491 |
| Enrollment | 537 | 542 | 511 | 508 |
| Lincoln (1940) | | | | |
| Square feet | 37,692 | 37,692 | 37,692 | 37,692 |
| Capacity | 296 | 296 | 296 | 296 |
| Enrollment | 314 | 292 | 286 | 374 |
| Marshall (1939) | | | | |
| Square feet | 33,956 | 33,956 | 33,956 | 33,956 |
| Capacity | 248 | 248 | 248 | 248 |
| Enrollment | 308 | 279 | 249 | 263 |
| Prescott (Demolished and Rebuilt 2006) | | | | |
| Square feet | 65,836 | 65,836 | 65,836 | 65,836 |
| Capacity | 375 | 375 | 375 | 375 |
| Enrollment | 302 | 287 | 298 | 266 |
| Sageville (1956) | | | | |
| Square feet | 42,237 | 41,612 | 41,612 | 41,612 |
| Capacity | 299 | 299 | 299 | 299 |
| Enrollment | 281 | 280 | 278 | 281 |
| Table Mound (1960) | | | | |
| Square feet | 51,758 | 51,758 | 51,758 | 51,758 |
| Capacity | 370 | 370 | 370 | 370 |
| Enrollment | 446 | 410 | 422 | 435 |

**Table 22**

**Dubuque Community School District**

**School Building Information**

**Last Ten Years**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| 79,064 | 59,755 | 47,655 | 47,655 | 47,655 | 47,655 |
| 624 | 624 | 624 | 624 | 624 | 624 |
| 477 | 492 | 519 | 535 | 604 | 613 |
| 52,953 | 52,953 | 52,953 | 52,953 | 52,953 | 51,161 |
| 624 | 624 | 624 | 624 | 624 | 624 |
| 491 | 481 | 662 | 613 | 644 | 608 |
| 37,692 | 37,692 | 37,692 | 37,692 | 37,692 | 37,692 |
| 390 | 390 | 390 | 390 | 390 | 390 |
| 336 | 320 | 333 | 300 | 438 | 372 |
| 33,956 | 33,956 | 33,956 | 33,956 | 33,956 | 33,956 |
| 312 | 312 | 312 | 312 | 312 | 312 |
| 267 | 253 | 282 | 286 | 362 | 347 |
| 65,836 | 65,836 | 65,836 | 30,547 | 30,547 | 30,547 |
| 312 | 312 | 312 | 312 | 312 | 312 |
| 265 | 272 | 246 | 273 | 277 | 268 |
| 41,612 | 41,612 | 41,612 | 41,612 | 41,612 | 41,612 |
| 390 | 390 | 390 | 390 | 390 | 390 |
| 313 | 320 | 327 | 302 | 354 | 357 |
| 51,758 | 51,758 | 51,758 | 51,758 | 51,758 | 51,758 |
| 546 | 546 | 546 | 546 | 546 | 546 |
| 449 | 464 | 400 | 397 | 437 | 426 |

**Table 22**

## Dubuque Community School District

## School Building Information

## Last Ten Years

**(modified accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| **Middle Schools:** | | | | |
| Jefferson (1922) | | | | |
| Square feet | 89,948 | 89,948 | 89,948 | 89,948 |
| Capacity | 620 | 620 | 620 | 620 |
| Enrollment | 594 | 567 | 583 | 600 |
| Roosevelt (2005) | | | | |
| Square feet | 206,000 | 206,000 | 206,000 | 206,000 |
| Capacity | 1,050 | 1,050 | 1,050 | 1,050 |
| Enrollment | 1,132 | 1,127 | 1,162 | 1,104 |
| Washington (1920) | | | | |
| Square feet | 92,830 | 92,830 | 92,830 | 92,830 |
| Capacity | 657 | 657 | 657 | 657 |
| Enrollment | 672 | 671 | 637 | 642 |
| **High Schools:** | | | | |
| Central Alternative (1906) | | | | |
| Square feet | --- | --- | --- | 24,202 |
| Capacity | --- | --- | --- | 190 |
| Enrollment | --- | --- | --- | 134 |
| Hempstead (1970) | | | | |
| Square feet | 261,268 | 261,268 | 261,268 | 261,268 |
| Capacity | 1,657 | 1,657 | 1,657 | 1,657 |
| Enrollment | 1,614 | 1,681 | 1,756 | 1,727 |
| Senior (1920) | | | | |
| Square feet | 286,611 | 286,611 | 286,611 | 286,611 |
| Capacity | 1,657 | 1,657 | 1,657 | 1,657 |
| Enrollment | 1,618 | 1,593 | 1,542 | 1,516 |

**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**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| 89,948 | 89,948 | 89,948 | 89,948 | 89,948 | 89,948 |
| 775 | 775 | 775 | 775 | 775 | 775 |
| 616 | 607 | 654 | 720 | 781 | 742 |
| 206,000 | 206,000 | 206,000 | 206,000 | N/A | N/A |
| 1,400 | 1,400 | 1,400 | 1,400 | N/A | N/A |
| 1,113 | 1,163 | 1,146 | 1,107 | N/A | N/A |
| 92,830 | 92,830 | 92,830 | 92,830 | 92,830 | 92,830 |
| 775 | 775 | 775 | 775 | 775 | 775 |
| 639 | 692 | 682 | 724 | 835 | 813 |
| 24,202 | 24,202 | 24,202 | 24,202 | 24,202 | 24,202 |
| 180 | 180 | 180 | 180 | 180 | 180 |
| 119 | 140 | 146 | 164 | 171 | 170 |
| 261,268 | 261,268 | 258,988 | 256,112 | 242,962 | 242,962 |
| 1,920 | 1,920 | 1,920 | 1,920 | 1,920 | 1,920 |
| 1,823 | 1,829 | 1,797 | 1,718 | 1,666 | 1,586 |
| 286,611 | 286,611 | 286,611 | 286,611 | 286,611 | 286,611 |
| 1,920 | 1,920 | 1,920 | 1,920 | 1,920 | 1,920 |
| 1,468 | 1,459 | 1,563 | 1,583 | 1,620 | 1,548 |

**Table 22**

**Dubuque Community School District**

**School Building Information**

**Last Ten Years**

**(modified accrual basis of accounting)**
**(Unaudited)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 |
| **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 | 33,000 |
| 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**

| 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| 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 |

**Table 23**

**Dubuque Community School District**

**Certified Staff Salaries**

**Last Ten Fiscal Years**

**(Unaudited)**

| School Year | Minimum | Maximum | Average |
|---|---|---|---|
| 2012 - 2013 | $27,865 | $60,468 | $42,785 |
| 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 |

**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, 2013

| 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 | FY13 | $ 87,259 | |
| Indirect: | | | | |
| U.S. Department of Agriculture: | | | | |
| Iowa Department of Education: | | | | |
| Child Nutrition Cluster Programs: | | | | |
| School Breakfast Program | 10.553 | FY13 | $ 297,773 | |
| National School Lunch Program | 10.555 | FY13 | 2,174,925 | * |
| | | | $2,472,698 | |
| Fresh Fruit and Vegetable Program | 10.582 | FY13 | $ 77,310 | |
| U.S. Department of Education: | | | | |
| Iowa Department of Education: | | | | |
| Title I Grants to LEA | 84.010 | FY13 | $1,806,912 | |
| Vocational Education – Basic Grants to States | 84.048 | FY13 | $ 116,817 | |
| Safe and Drug-free Schools and Communities – National Programs | 84.184 | FY13 | $ 103,239 | |
| Education for Homeless Children and Youth | 84.196 | FY13 | $ 24,000 | |
| Twenty-first Century Community Learning Centers | 84.287 | FY13 | $ 173,076 | |
| Embracing Education through Technology | 84.318 | FY13 | $ 5,874 | |
| Special Education – State Personnel Development Grants Career Ladder | 84.323 | FY13 | $ 23,993 | |
| Improving Teacher Quality Grants | 84.367 | FY13 | $ 380,347 | |
| Grants for State Assessments and Related Activities | 84.369 | FY13 | $ 67,256 | |
| Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems | 93.938 | | $ 500 | |
| Developmental Disabilities Projects of National Significance | 93.631 | FY13 | $ 1,000 | |
| Keystone Area Education Agency: | | | | |
| Special Education – Grants to States | 84.027 | FY13 | $ 644,840 | |
| English Language Acquisition Grants | 84.365 | FY13 | $ 24,552 | |
| Total | | | $6,009,673 | |

* Includes $309,211 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, 2013**

## 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, 2013. 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, 2013**

| Findings | Status | Corrective Action Plan or Other Explanation |
|---|---|---|
| **Reportable Conditions in Internal Control** | | |
| None | | |
| **Reportable Conditions in Administering Federal Awards** | | |
| None | | |
| **Other Findings Related to Required Statutory Reporting** | | |
| None | | |

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Certified Public Accountants

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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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dubuque Community School District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Dubuque Community School District's basic financial statements, and have issued our report thereon dated January 13, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Dubuque Community School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dubuque Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Dubuque Community School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dubuque Community School District's financial statements are free from 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, 2013, 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 statues.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
January 13, 2014

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FAX 563/556-3443

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

815 Century Drive
Dubuque, Iowa 52002

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To The Board of Education of
Dubuque Community School District:

**Report on Compliance for Each Major Federal Program**

We have audited Dubuque Community School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Dubuque Community School District's major federal programs for the year ended June 30, 2013. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Dubuque Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Dubuque Community School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Dubuque Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items III-A-13. Our opinion on each major federal program is not modified with respect to these matters.

Dubuque Community School District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Dubuque Community School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of Dubuque Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dubuque Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of Dubuque Community School District as of and for the year ended June 30, 2013, and have issued our report dated January 13, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for

purposes of additional analysis as required by OMB Circular A-133 and is 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 the audit of the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
January 13, 2014

## Dubuque Community School District

## Schedule of Findings and Questioned Costs

## Year Ended June 30, 2013

Part I: Summary of the Independent Auditors' 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 84.367 - Improving Teacher Quality State Grants

(h) The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

(i) Dubuque Community School District did qualify as a low-risk auditee.

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, 2013

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:**

CFDA Number 10.553: School Breakfast Program
CFDA Number 10.555: National School Lunch Program
Federal Award Year: 2013
U.S. Department of Agriculture
Passed through the Iowa Department of Education

III-A-13 Criteria and Condition - Eligibility for free and reduced lunch reimbursement is based on eligibility verifications performed by the District.

Context - A test of 54 free and reduced verifications disclosed two (2) cases that verifications were done improperly.

Cause - Some of the verifications were prepared by new staff. These verifications were not reviewed for accuracy by experienced staff in charge of the verification process.

Effect - Excess reimbursements provided to ineligible students. The total excess reimbursements for the program is not readily determinable.

Recommendation - Appropriate written policies and procedures should be established to ensure proper eligibility determination. These procedures should provide for appropriate review and approvals by the program director.

Corrective Action Plan – Written policies and procedures have been established to ensure proper eligibility determination. The procedures provide for appropriate review and approval by the program director.

Part IV: Other Findings Related to Statutory Reporting:

IV-A-13 Certified Budget - Expenditures for the year ended June 30, 2013, did not exceed the amounts budgeted.

IV-B-13 Questionable Expenditures - No expenditures we believe that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.

IV-C-13 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.

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

IV-D-13 Business Transactions - No business transactions between the District and District officials or employees were noted.

IV-E-13 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-13 Board Minutes - We noted no transaction requiring Board approval which had not been approved by the Board.

IV-G-13 Certified Enrollment - 3.50 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-13 Supplementary Weighting - No variances regarding supplementary weighting certified to the Iowa Department of Education were noted.

IV-I-13 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-13 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.

IV-K-13 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

IV-L-13 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, 2013, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

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

| | | |
|---|---|---|
| Beginning balance | | $13,475,077 |
| Revenues/transfers in: | | |
| Statewide sales, services and use tax | $12,190,050 | |
| Other local revenue | 54,514 | |
| Investment income | 198,739 | |
| Revenue bonds issued | 10,071,376 | |
| Transfers from other funds | 69,800 | |
| | | $22,584,479 |
| Expenditures/transfers out: | | |
| School infrastructure: | | |
| Construction | $13,129,927 | |
| Equipment | 489,436 | |
| Other | 1,435,069 | |
| Debt service for school infrastructure: | | |
| Revenue debt | 8,033,416 | |
| | | $23,087,848 |
| Ending balance | | $12,971,708 |

For the year ended June 30, 2013, 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-13 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.