



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

For the Fiscal Year Ended June 30, 2015

2300 Chaney Road, Dubuque, Iowa 52001

In the Counties of Dubuque and Jackson, State of Iowa

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

DUBUQUE COMMUNITY SCHOOL DISTRICT

Dubuque, Iowa

For the Fiscal Year Ended June 30, 2015

OFFICIAL ISSUING REPORT

Kevin Kelleher

Executive Director of Finance and Business Services

OFFICE ISSUING REPORT

Business Office

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INTRODUCTORY SECTION



OUR MISSION is to develop world-class learners and citizens of character in a safe and inclusive learning community.

OUR VISION is to unfold the potential of every student by empowering the teacher/student relationship through:

- > Promoting the roles and responsibilities we all have in the 21st century learning process
 - > Removing barriers
 - > Creating an environment where character and citizenship count
 - > Leveraging content knowledge to become critical thinkers and problems solvers
 - > Providing multiple pathways to unlocking student potential
-

THE BOARD OF EDUCATION VALUES

- > Essential skills of digital-age literacy, inventive thinking, effective communication, and high productivity
 - > Innovative programming options
 - > Extra-curricular activities and character development
 - > Building leadership capacity for all employees
 - > Community engagement and multiple ways of communication
 - > Being transparent, ethical, and using resources wisely
-



December 14, 2015

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, 2015. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International. 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.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the officials of the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds and account groups of the District in accordance with generally accepted accounting principles, (GAAP). It includes all funds of the District. The District is not included in any other reporting entity, nor are any other entities included within this report. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

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 the District Mission Statement, 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, the Management’s Discussion and Analysis (MD&A), 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.

The Compliance and Single Audit Section – This section includes the schedules and various independent auditors’ reports and findings as required by the Single Audit Act Amendment of 1996, along with comments required by the Iowa Auditor of State.

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.

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 are elected to four-year terms and elections are 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 2014 (the official count date) was 10,634 students. This District is the seventh largest of Iowa’s 337 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.

Accounting System, continued

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

All internal control evaluations occur within the above framework. We believe that the internal accounting controls of the District adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Relevant Financial Policies

The State of Iowa funding formula for Iowa school districts' General Fund is pupil driven. An increase in spending authority occurs in two different ways, either an increase in pupils or an increase in State Supplemental Aid which is set by the state legislature. Under state law, the legislature has thirty (30) days after receiving the Governor's budget recommendation to set the percentage of growth (State Supplemental Aid) for the following budget year. To illustrate, the 2013 legislature sets the FY 2014-15 percent. This percentage growth is very important to districts as this is the basis for planning purposes, budgeting purposes, and negotiating union contracts. For the past several years, the legislature has not followed their legal responsibility in setting the growth rate in thirty (30) days which makes planning, budgeting, and negotiating much harder to accomplish. For FY 2015-16, State Supplemental Aid was signed by the Governor in July of 2015, which is after the start date of FY 2015-16.

The District has three financial benchmarks that are used to measure the financial strength of the District's General Fund. These three benchmarks are Cash Balance, Solvency Ratio, and Unspent Balance (which is another term for Spending Authority). The District had the following goals for these three benchmarks:

1. Cash Balance – Three months' worth of cash expenditures
2. Solvency Ratio – Range of 5% to 15%
3. Unspent Balance – One months' worth of cash expenditures

For fiscal year 2014-15, listed below are the District's benchmarks and actual amounts;

	<u>Benchmark</u>	<u>Actual</u>
Cash Balance	\$31,917,988	\$23,606,780
Solvency Ratio	5% - 15%	11.3%
Unspent Balance	\$10,509,744	\$11,129,370

The District did not meet the cash balance benchmark and met and/or exceeded the other benchmarks. The rapid decline in cash balance was mostly caused by the large special education deficit. There were declines in all three areas for the year ended June 30, 2015. The District is expecting declines again in the 2015-16 fiscal year and will need to begin making budget reduction plans for the 2016-17 fiscal year.

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 narrative overview and 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 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. 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.

In FY 2013-14, the District completed a large facility project and started two large facility projects. They included an approximately \$10,100,000 stadium renovation project at Senior High School that was completed in the summer of 2013 and 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. The Kennedy Elementary School project was completed during FY 2014-15 while the Hempstead High School project will be completed in FY 2015-16. During the 2014-15 fiscal year, the District conducted a study and began architectural drawings on a major remodel/addition project budgeted at \$30,000,000 at Dubuque Senior

Major Initiatives and Achievements, continued

High School. All of these projects have been funded with sales tax revenue and sales tax revenue bonds. The District issued \$10,000,000 bonds in April 2012, \$10,000,000 in April 2013, \$13,033,000 in March 2014, and \$15,960,000 in January 2015. The District will need to issue additional bonds in the future in order to complete the Senior project.

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 been endorsed as an All-American City in 2007, 2012, and 2013. 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 191 out of 337 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 2014-15 was \$6,373. The State Supplemental Aid rate for FY 2015-16 is at 1.25% which equates to a per pupil amount of \$6,453.

In light of these circumstances, the School District must continue to operate in the most efficient manner during 2015-16 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. The auditors have issued an unmodified "clean" opinion on the Dubuque Community School District's financial statements for the year ended June 30, 2015. The Independent Auditor's Report is located 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:

Other Matters, continued

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 Business Department staff, in particular, Rick Till and Joan Steffen 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,



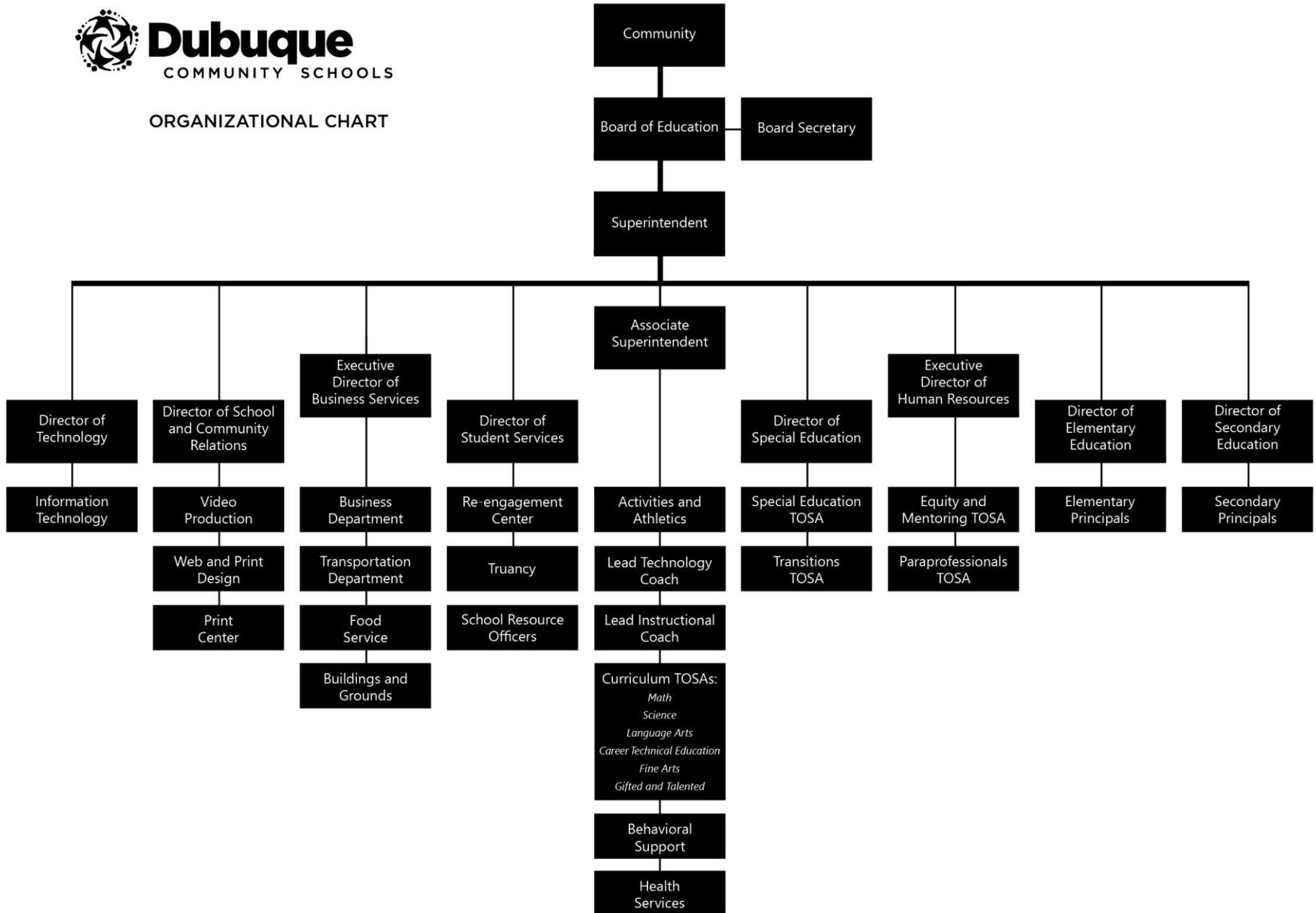
Kevin Kelleher
Executive Director of Finance and Business Services



Stan Rheingans
Superintendent of Schools



ORGANIZATIONAL CHART



Dubuque Community School District

Board of Education

Year Ended June 30, 2015

		Term Expires:
Mike Donohue	President	September 2015
Tami Ryan	Vice-President	September 2015
Tom Barton	Board Member	September 2015
Matt Strelo	Board Member	September 2015
Craig Beytien	Board Member	September 2017
Jim Prochaska	Board Member	September 2017
Terra Siegert	Board Member	September 2017

Dubuque Community School District

School District Administration

Year Ended June 30, 2015

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

Directors

Coby Culbertson	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 and Staff Development
Rozanne Warder	Director of Special Education
Shirley Horstman	Director of Student Services

Business Office

Rick Till	Assistant Director of Business Services
Amy VanderMeulen	Manager of Payroll and Benefits
Bill Burkhart	Manager of Buildings and Grounds
Charlie Clasen	Assistant Manager of Buildings and Grounds
Kris Hall	Manager of Transportation
Sue Shaul	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, 2015

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, 2015

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

Bankers Trust
453 7th Street
Des Moines, IA 50309

Fidelity Bank
4250 Asbury Road
Dubuque, IA 52002

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, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 11 to the financial statements, Dubuque Community School District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions, and the Schedule of Funding Progress for the Retiree Health Plan on pages 20 through 34 and 76 through 83 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 nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified 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 December 14, 2015, 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
December 14, 2015

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

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, 2015. Please read this information in conjunction with the District's financial statements, which immediately follow this section.

2015 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 4.0% for FY 2014-15, 2.0% for FY 2013-14, 2.0% for FY 2012-13, and 0% for FY 2011-12. This percentage amount has a substantial impact on district-funding levels.
- The District's enrollment has been relatively steady in recent years. From October 2014 to 2015, there was a decrease of 46 students. The prior three years have seen small enrollment increases. The Iowa Department of Education projects stable enrollment over the next several years.
- General fund revenues increased by \$5.7 million (5.0%) in FY 2014-15. Major components of this change include a \$3.6 million increase in state aid, a \$0.7 million increase from real estate taxes and a \$1.4 million increase in miscellaneous income.
- General fund expenses increased by \$6.3 million (5.2%) in this fiscal year. Salaries and benefits comprise 81.3% of general fund expenditures for FY 2014-15 as compared to 80.2% of general fund expenditures for FY 2013-14.
- General fund excess of expenses over revenues resulted in a \$7.4 million decrease in fund balance and a \$6.6 million decrease in cash/investments. Estimated unspent balance also decreased by \$2.1 million.
- The District's total net position decreased by \$0.3 million (0.3%) this fiscal year primarily due to the District increase in salary and benefit expenditures.
- The District monitors the three primary school district financial indicators of cash/investments, solvency ratio, and unspent balance. These indicators are measured at year end and compared to prior-years' results, state standards, and other districts' results.
- The FY 2014-15 estimated unspent balance decreased by \$2.1 million. With 1.25% State Supplemental Aid for FY 2015-16, the unspent balance is projected to decline again in the FY 2015-16 year. The District will need to begin budget reduction planning to alleviate this trend.
- The Local Option Sales Tax, now called the Secure an Advanced Vision for Education ("SAVE") fund is used to build new facilities and improve old ones. The District collected approximately \$10.0 million of sales tax revenue in FY 2014-15 most of which was used to pay construction costs, bond principal and interest, and the District technology plan. The collection amount substantially exceeds revenue projections made in January 2003 when the sales tax referendum first passed.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

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, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

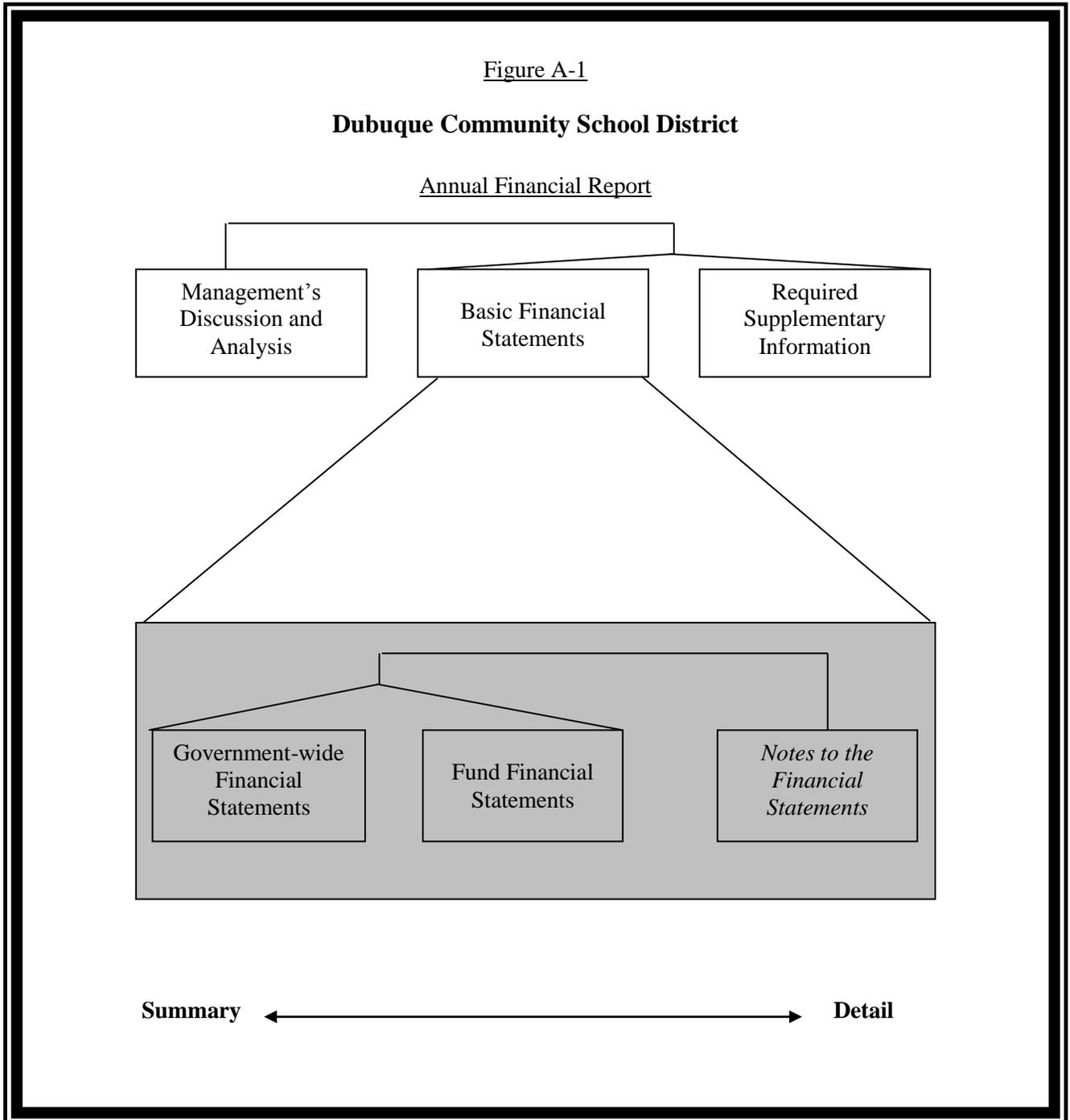
Other Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

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



Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

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

Figure A-2: Major Features of the Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance.	Activities the district operates similar to private businesses: food service is included here.	Instances in which the district administers resources on behalf of someone else, such as scholarship programs.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources 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 deferred outflow/inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of a fund balance that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future reporting period
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. 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 it has changed. Net position is 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.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

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 funds.

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.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2015, compared to June 30, 2014.

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

	Governmental Activities		Business-type Activities		Total District		Total Percentage Change 2014-15
	2014 Not Restated	2015	2014 Not Restated	2015	2014 Not Restated	2015	
Current and other assets	\$104,270,816	\$109,046,262	\$ 895,479	\$ 943,974	\$105,166,295	\$109,990,236	4.6%
Capital assets	126,589,198	135,940,969	226,852	180,689	126,816,050	136,121,658	7.3%
Total assets	\$230,860,014	\$244,987,231	\$1,122,331	\$1,124,663	\$231,982,345	\$246,111,894	6.1%
Deferred outflows of resources	\$ 0	\$ 9,783,307	\$ 0	\$ 244,170	\$ 0	\$ 10,027,477	100.0%
Long-term liabilities	\$ 16,210,429	\$ 17,039,903	\$ 6,963	\$ 7,649	\$ 16,217,392	\$ 17,047,552	5.1%
Other liabilities	40,196,931	97,465,532	232,647	1,252,203	40,429,578	98,717,735	144.2%
Total liabilities	\$ 56,407,360	\$114,505,435	\$ 239,610	\$1,259,852	\$ 56,646,970	\$115,765,287	104.4%
Deferred inflows of resources	\$ 45,075,240	\$ 61,568,705	\$ 83,134	\$ 486,746	\$ 45,158,374	\$ 62,055,451	37.4%
Net position:							
Net investment in capital assets	\$ 93,556,198	\$ 88,077,969	\$ 226,852	\$ 180,689	\$ 93,783,050	\$ 88,258,658	(5.9%)
Restricted	22,585,523	32,900,265	0	0	22,585,523	32,900,265	45.7%
Unrestricted	13,235,693	(42,281,836)	572,735	(558,454)	13,808,428	(42,840,290)	(410.2%)
Total net position	\$129,377,414	\$ 78,696,398	\$ 799,587	\$ (377,765)	\$130,177,001	\$ 78,318,633	(39.8%)

The District's total net position decreased 39.8%, or \$51,858,368, from the prior year. The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased approximately \$10,314,742, or 45.7%, over the prior year. The increase was primarily a result of a \$15,960,000 bond issuance (in the Capital Projects Fund) in which most expenditures will occur in FY 2015-16. In addition, a \$1,596,000 bond reserve was required.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased approximately \$56,648,718, or 410.2%. This reduction in unrestricted net position was primarily a result of the District's net pension liability and net pension expense recorded in the current year.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014, for governmental activities and business-type activities were restated by \$50,420,212 and \$1,258,376, respectively, to retroactively report the net pension liability as of June 30, 2013, and deferred outflows of resources related to contributions made after June 30, 2013, but prior to July 1, 2014. Fiscal years 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Figure A-4 shows the change in net position for the year ended June 30, 2015, compared to the year ended June 30, 2014.

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

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2014-15
	2014	2015	2014	2015	2014	2015	
	Not Restated		Not Restated		Not Restated		
Revenues							
Program revenues changes for services	\$ 4,516,049	\$ 5,092,390	\$2,421,620	\$2,472,084	\$ 6,937,669	\$ 7,564,474	9.0%
Operating grants & contributions	19,919,287	23,329,640	2,667,519	2,758,432	22,586,806	26,088,072	15.5%
Capital grants & contributions	0	0	0	0	0	0	0.0%
General revenues property taxes and other taxes	54,230,914	55,737,249	0	0	54,230,914	55,737,249	2.8%
Unrestricted state grants	52,932,505	54,664,713	0	0	52,932,505	54,664,713	3.3%
Other	1,487,954	1,030,944	1,807	2,256	1,489,761	1,033,200	(30.6%)
Total revenues	\$133,086,709	\$139,854,936	\$5,090,946	\$5,232,772	\$138,177,655	\$145,087,708	5.0%
Expenses							
Instruction	\$ 83,984,002	\$ 87,066,710	\$ 0	\$ 0	\$ 83,984,002	\$ 87,066,710	3.7%
Support services student and instructional services	12,057,380	12,108,063	0	0	12,057,380	12,108,063	0.4%
Administrative and business	13,236,921	13,683,311	0	0	13,236,921	13,683,311	3.4%
Maintenance and operations	9,684,699	10,753,161	0	0	9,684,699	10,753,161	11.0%
Transportation	4,981,110	4,906,348	0	0	4,981,110	4,906,348	(1.5%)
Non-instructional	159,179	184,930	4,983,100	4,988,071	5,142,279	5,173,001	0.6%
Other	10,096,272	11,413,217	148,252	163,677	10,244,524	11,576,894	13.0%
Total expenses	\$134,199,563	\$140,115,740	\$5,131,352	\$5,151,748	\$139,330,915	\$145,267,488	4.3%
Change in net position	\$ (1,112,854)	\$ (260,804)	\$ (40,406)	\$ 81,024	\$ (1,153,260)	\$ (179,780)	(84.4%)
Beginning net Position, as restated	130,490,268	78,957,202	839,993	(458,789)	131,330,261	78,498,413	(40.2%)
Ending net position	\$129,377,414	\$ 78,696,398	\$ 799,587	\$ (377,765)	\$130,177,001	\$ 78,318,633	(39.8%)

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

In fiscal year 2015, general revenues property taxes and other taxes and unrestricted state grants accounted for 78.9% of governmental activities revenue while charges for service and operating grants, contributions, and restricted interest accounted for 99.9% of business-type activities revenue. The District's total revenues were approximately \$145.1 million, of which approximately \$139.9 million was for governmental activities and approximately \$5.2 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced a 5.0% increase in revenues and a 4.3% increase in expenses. Operating grants and contributions increased approximately \$3.5 million, unrestricted state grants increased approximately \$1.7 million and property tax increased approximately \$1.5 million. The increase in expenses is mainly related to increases in negotiated salaries and benefits.

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 2014-15	Net Cost of Services		Percentage Change 2014-15
	2014	2015		2014	2015	
Instruction	\$ 83,984,002	\$ 87,066,710	3.7%	\$ 65,920,361	\$ 66,725,419	1.2%
Support services student and instructional services	12,057,380	12,108,063	0.4%	11,052,554	9,536,376	(13.7%)
Administrative and business	13,236,921	13,683,311	3.4%	13,236,921	13,683,311	3.4%
Maintenance and operations	9,684,699	10,753,161	11.0%	9,684,699	10,753,161	11.0%
Transportation	4,981,110	4,906,348	(1.5%)	4,337,897	4,326,113	(0.3%)
Non-instructional	159,179	184,930	16.2%	159,179	184,930	16.2%
Other	10,096,272	11,413,217	13.0%	5,372,616	6,484,400	20.7%
Total	\$134,199,563	\$140,115,740	4.4%	\$109,764,227	\$111,693,710	1.8%

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

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 \$141,743 over the prior year. The school nutrition fund balances increased slightly this year due to operations. However, with the implementation of Governmental Accounting Standards Board Statement No. 68, the net position as of June 30, 2014, was significantly adjusted downward. Please see Note 11 in the Notes to Financial Statements section for further details.

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, 2015, total government fund balance was \$46,816,856.

Governmental Fund Highlights

- The District's general fund and cash/investment balance fund balance and unspent balance all decreased in the 2014-15 fiscal year. At June 30, 2015, the estimated unspent balance was \$11,129,370.
- Salaries and benefits comprise about 81.3% of the general fund expenditures. These expenditures increased \$6,441,092 due primarily to the negotiated settlements with the District's eight different bargaining units and the District receiving \$3,266,883 from the teacher leadership grant. A majority of these grant dollars were spent on salaries and benefits.
- The physical plant and equipment levy (PEEL) fund balance increased in FY 2014-15. 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.
- Within the statewide sales, services, and use tax fund, revenues are generated by two main sources. They are the issuance of sales tax revenue bonds and sales taxes generated by statewide retail purchases. The statewide sales tax is now called Secure an Advanced Vision for Education (SAVE), formerly the Local Option Sales Tax (LOST). With regards to SAVE, the legislature recently passed legislation which did two things; first created a sunset date that this new provision would be in effect through June 30, 2029; and second, created a provision which required all collections of sales tax funds be put into a statewide pool which is then distributed on a district per pupil basis. Previous to this legislation, all sales tax generated in Dubuque County was distributed to the schools located within Dubuque County on a resident student basis. For the 2014-15 fiscal year, the District received \$10,038,752 in sales tax revenue and issued \$15,960,000 in sales tax revenue bonds. These dollars were used to fund ongoing capital projects. Please see the next page for more details.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

Proprietary Fund Highlights

As stated previously, the school nutrition fund is the only proprietary fund maintained by the District. The nutrition fund slightly increased from operations.

BUDGETARY HIGHLIGHTS

The District maintains two types of budgets. The first is the *certified budget* which must meet certain state publication and monitoring requirements and is filed in April for the following year. 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. The District amended its original budget in 2014-15 for an increase in expenditures from \$156,919,594 to \$157,919,594 to reflect increased expenses for student technology purchases and additional salaries and benefits created by the teacher leadership grant.

A schedule showing the original and amended budget amounts compared to the District's actual financial activity is provided in this report as required supplementary information.

In spite of the District's budgetary practice, the certified budget was exceeded in the instruction and support services functional areas due to the expenses being incurred after the latest permissible date for budget amendment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had invested \$136.1 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 7.3% 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 \$5,737,200.

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

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION, continued

**Figure A-6
Capital Assets, Net of Depreciation
June 30, 2015**

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2014-15
	2014	2015	2014	2015	2014	2015	
Land	\$ 7,252,362	\$ 7,492,362	\$ 0	\$ 0	\$ 7,252,362	\$ 7,492,362	3.3%
Construction in progress	25,179,586	30,982,503	0	0	25,179,586	30,982,503	23.0%
Buildings and improvements	75,266,374	80,035,511	0	0	75,266,374	80,035,511	6.3%
Land improvements	12,419,970	11,717,905	0	0	12,419,970	11,717,905	(5.7%)
Furniture and equipment	6,470,906	5,712,688	226,852	180,689	6,697,758	5,893,377	(12.0%)
Total	\$126,589,198	\$135,940,969	\$226,852	\$180,689	\$126,816,050	\$136,121,658	7.3%

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 worked on three large projects in fiscal year 2014-15. They include a \$31,200,000 remodel/renovation at Hempstead High School which involves remodeling two wings, an additional gymnasium, and new auditorium. The completion of a \$6,700,000 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. The beginning of architectural study and drawings of a \$30,000,000 remodel/renovation/addition at Senior High School which involves an additional gymnasium, cafeteria, library, and administrative area.

Long-term Debt

At June 30, 2015, the District had \$47,863,000 in revenue bond debt outstanding. This represents an increase of approximately 44.9% 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. See Note 5 to the Financial Statements for additional information.

**Figure A-7
Outstanding Long-term Bond Obligations
June 30, 2015**

	Total District		Total Change
	2014	2015	2014-15
Revenue bonds	\$33,033,000	\$47,863,000	\$14,830,000

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

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 been declining in recent years due to low percentages of State Supplemental Aid. The percentages have been lower than the increase in District costs. For FY 2015-16 the percentage increase is 1.25% so 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 State Supplemental Aid rate in a timely manner. This was the case for FY 2015-16, as the Governor approved the State Supplemental Aid rate in July of 2015 which is after the start of the fiscal year. 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.
 - ◆ 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 \$2.7 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 for the upcoming fiscal years is scheduled to remain unchanged.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2015

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE, continued

- Iowa school district funding faces many challenges in future years. Approximately \$82 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 2015-16 when compared to FY 2014-15 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, 2015

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 56,622,772	\$ 798,420	\$ 57,421,192
Receivables:			
Property tax:			
Delinquent	339,015	0	339,015
Succeeding year	45,756,282	0	45,756,282
Accounts	228,372	0	228,372
Interest:			
Other	28,280	0	28,280
Other	4,875	0	4,875
Due from other governments	5,611,766	8,752	5,620,518
Inventories	444,900	136,802	581,702
Security deposit	10,000	0	10,000
Total current assets	<u>\$109,046,262</u>	<u>\$ 943,974</u>	<u>\$109,990,236</u>
Non-current assets:			
Capital assets not being depreciated	\$ 38,474,865	\$ 0	\$ 38,474,865
Capital assets net of accumulated depreciation/amortization	97,466,104	180,689	97,646,793
Total non-current assets	<u>\$135,940,969</u>	<u>\$ 180,689</u>	<u>\$136,121,658</u>
Total assets	<u>\$244,987,231</u>	<u>\$1,124,663</u>	<u>\$246,111,894</u>
Deferred Outflows of Resources:			
Pension related deferred outflows	\$ 9,783,307	\$ 244,170	\$ 10,027,477
Total deferred outflows of resources	<u>\$ 9,783,307</u>	<u>\$ 244,170</u>	<u>\$ 10,027,477</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 2,276,008	\$ 7,649	\$ 2,283,657
Salaries and benefits payable	11,715,449	0	11,715,449
Early retirement payable	1,818,170	0	1,818,170
Due to other governments	562,507	0	562,507
Security deposit payable	10,000	0	10,000
Accrued interest payable	657,769	0	657,769
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	1,390,000	0	1,390,000
Compensated absences	600,660	0	600,660
Portion due after one year:			
Revenue bonds	46,473,000	0	46,473,000
Net pension liability	41,223,441	1,028,845	42,252,286
Net OPEB liability	7,778,431	223,358	8,001,789
Total liabilities	<u>\$114,505,435</u>	<u>\$1,259,852</u>	<u>\$115,765,287</u>
Deferred Inflows of Resources:			
Succeeding year property tax	\$ 45,756,282	\$ 0	\$ 45,756,282
Pension related deferred inflows	15,721,433	392,372	16,113,805
Other	90,990	94,374	185,364
Total deferred inflows of resources	<u>\$ 61,568,705</u>	<u>\$ 486,746</u>	<u>\$ 62,055,451</u>
Net position:			
Net investment in capital assets	\$ 88,077,969	\$ 180,689	\$ 88,258,658
Restricted for:			
Teacher salary supplement	292,008	0	292,008
Professional development	382,065	0	382,065
Market factor incentives	34,620	0	34,620
Four-year-old preschool state aid	76,443	0	76,443
Professional development for model core curriculum	515,403	0	515,403
Textbook aid for non-public students	16,502	0	16,502
Successful progression for early readers	7,903	0	7,903
Student activities	777,659	0	777,659
Management levy	9,044,008	0	9,044,008
Physical plant and equipment levy	4,382,277	0	4,382,277
Capital projects	12,575,413	0	12,575,413
Debt service	4,795,964	0	4,795,964
Unrestricted	(42,281,836)	(558,454)	(42,840,290)
Total net position	<u>\$ 78,696,398</u>	<u>\$ (377,765)</u>	<u>\$ 78,318,633</u>

See notes to financial statements.

Dubuque Community School District
Statement of Activities
Year Ended June 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contri- butions, and Restricted Interest	Governmental Activities	Business-type Activities	Total
Functions/Programs						
Governmental activities:						
Instruction:						
Regular instruction	\$ 47,442,346	\$ 1,017,497	\$ 7,368,820	\$ (39,056,029)	\$ 0	\$ (39,056,029)
Special instruction	25,848,102	2,196,007	7,496,757	(16,155,338)	0	(16,155,338)
Other instruction	13,776,262	1,823,909	438,301	(11,514,052)	0	(11,514,052)
	\$ 87,066,710	\$ 5,037,413	\$ 15,303,878	\$ (66,725,419)	\$ 0	\$ (66,725,419)
Support services:						
Student services	\$ 6,457,946	\$ 0	\$ 647,459	\$ (5,810,487)	\$ 0	\$ (5,810,487)
Instructional staff services	5,650,117	0	1,924,228	(3,725,889)	0	(3,725,889)
Administration services	13,683,311	0	0	(13,683,311)	0	(13,683,311)
Operation & maintenance of plant services	10,753,161	0	0	(10,753,161)	0	(10,753,161)
Transportation services	4,906,348	54,977	525,258	(4,326,113)	0	(4,326,113)
	\$ 41,450,883	\$ 54,977	\$ 3,096,945	\$ (38,298,961)	\$ 0	\$ (38,298,961)
Non-instructional programs	\$ 184,930	\$ 0	\$ 0	\$ (184,930)	\$ 0	\$ (184,930)
AEA flowthrough	\$ 4,928,817	\$ 0	\$ 4,928,817	\$ 0	\$ 0	\$ 0
Interest and other charges	1,441,641	0	0	(1,441,641)	0	(1,441,641)
Other post-employment benefits	1,142,693	0	0	(1,142,693)	0	(1,142,693)
Depreciation and other expenses (unallocated)*	3,900,066	0	0	(3,900,066)	0	(3,900,066)
	\$ 11,413,217	\$ 0	\$ 4,928,817	\$ (6,484,400)	\$ 0	\$ (6,484,400)
Total governmental activities	\$ 140,115,740	\$ 5,092,390	\$ 23,329,640	\$ (111,693,710)	\$ 0	\$ (111,693,710)
Business-type activities:						
Non-instructional programs:						
Nutrition services	\$ 4,988,071	\$ 2,472,084	\$ 2,758,432	\$ 0	\$ 242,445	\$ 242,445
Total	\$ 145,103,811	\$ 7,564,474	\$ 26,088,072	\$ (111,693,710)	\$ 242,445	\$ (111,451,265)
General Revenues:						
Property tax levied for:						
General purposes				\$ 41,351,887	\$ 0	\$ 41,351,887
Capital outlay				4,346,610	0	4,346,610
Local option sales tax				10,038,752	0	10,038,752
Unrestricted state grants				54,664,713	0	54,664,713
Unrestricted investment earnings				155,764	2,256	158,020
Miscellaneous				711,503	0	711,503
Total general revenues				\$ 111,269,229	\$ 2,256	\$ 111,271,485
Transfers				163,677	(163,677)	0
Total general revenues and transfers				\$ 111,432,906	\$ (161,421)	\$ 111,271,485
Change in net position				\$ (260,804)	\$ 81,024	\$ (179,780)
Net position beginning of year				78,957,202	(458,789)	78,498,413
Net position end of year				\$ 78,696,398	\$ (377,765)	\$ 78,318,633

* 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, 2015

	General	Capital Projects Fund	Debt Service Fund	Special Revenue Fund	Total
Assets					
Cash and pooled investment	\$23,606,780	\$15,953,926	\$5,425,453	\$11,636,613	\$ 56,622,772
Receivables:					
Property tax:					
Delinquent	275,487	28,150	0	35,378	339,015
Succeeding year	40,664,825	3,591,457	0	1,500,000	45,756,282
Accounts	228,372	0	0	0	228,372
Interest	0	0	28,280	0	28,280
Other	0	0	0	4,875	4,875
Due from other governments	4,042,401	1,569,365	0	0	5,611,766
Inventories	444,900	0	0	0	444,900
Security deposit	10,000	0	0	0	10,000
Total assets	<u>\$69,272,765</u>	<u>\$21,142,898</u>	<u>\$5,453,733</u>	<u>\$13,176,866</u>	<u>\$109,046,262</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable	\$ 1,662,288	\$ 586,182	\$ 0	\$ 27,538	\$ 2,276,008
Salaries and benefits payable	11,715,449	0	0	0	11,715,449
Early retirement payable	0	0	0	1,818,170	1,818,170
Due to other governments	562,507	0	0	0	562,507
Security deposit payable	10,000	0	0	0	10,000
Total liabilities	<u>\$13,950,244</u>	<u>\$ 586,182</u>	<u>\$ 0</u>	<u>\$ 1,845,708</u>	<u>\$ 16,382,134</u>
Deferred inflows of resources:					
Succeeding year property tax	\$40,664,825	\$ 3,591,457	\$ 0	\$ 1,500,000	\$ 45,756,282
Other	73,930	7,569	0	9,491	90,990
Total deferred inflows of resources	<u>\$40,738,755</u>	<u>\$ 3,599,026</u>	<u>\$ 0</u>	<u>\$ 1,509,491</u>	<u>\$ 45,847,272</u>
Fund balances:					
Non-spendable:					
Inventory	\$ 444,900	\$ 0	\$ 0	\$ 0	\$ 444,900
Restricted for:					
Categorical funding:					
Teacher salary supplement	292,008	0	0	0	292,008
Professional development	382,065	0	0	0	382,065
Market factor incentives	34,620	0	0	0	34,620
Four-year-old preschool state aid	76,443	0	0	0	76,443
Professional development for model core curriculum	515,403	0	0	0	515,403
Textbook aid for non-public students	16,502	0	0	0	16,502
Successful progression for early readers	7,903	0	0	0	7,903
Debt service	0	0	5,453,733	0	5,453,733
Management levy purposes	0	0	0	9,044,008	9,044,008
Student activities	0	0	0	777,659	777,659
School infrastructure	0	12,575,413	0	0	12,575,413
Physical plant and equipment levy	0	4,382,277	0	0	4,382,277
Unassigned	12,813,922	0	0	0	12,813,922
Total fund balances	<u>\$14,583,766</u>	<u>\$16,957,690</u>	<u>\$5,453,733</u>	<u>\$ 9,821,667</u>	<u>\$ 46,816,856</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$69,272,765</u>	<u>\$21,142,898</u>	<u>\$5,453,733</u>	<u>\$13,176,866</u>	<u>\$109,046,262</u>

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, 2015

Total fund balances of governmental funds (page 38) \$ 46,816,856

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 135,940,969

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. (657,769)

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$(15,721,433)	
Deferred inflows of resources	<u>9,783,307</u>	
		\$ (5,938,126)

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	\$ (600,660)	
Bonds payable	(47,863,000)	
Net OPEB liability	(7,778,431)	
Pension liability	<u>(41,223,441)</u>	
		<u>(97,465,532)</u>

Net position of governmental activities (page 36) \$ 78,696,398

See notes to financial statements.

Dubuque Community School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General	Capital Projects Fund	Debt Service Fund	Special Revenue Fund	Total
Revenues:					
Local sources:					
Local tax	\$ 36,607,011	\$ 3,566,611	\$ 0	\$ 4,744,876	\$ 44,918,498
Tuition	2,571,634	0	0	0	2,571,634
Other	1,757,230	946,901	35,518	1,721,408	4,461,057
State sources	71,259,365	10,110,185	0	92,893	81,462,443
Federal sources	6,277,627	0	0	0	6,277,627
Total revenues	<u>\$118,472,867</u>	<u>\$14,623,697</u>	<u>\$ 35,518</u>	<u>\$6,559,177</u>	<u>\$139,691,259</u>
Expenditures:					
Current:					
Instruction:					
Regular instruction	\$ 46,700,801	\$ 589,226	\$ 0	\$ 1,454,920	\$ 48,744,947
Special instruction	26,048,304	0	0	603,570	26,651,874
Other instruction	12,131,570	3,658	0	1,627,938	13,763,166
	<u>\$ 84,880,675</u>	<u>\$ 592,884</u>	<u>\$ 0</u>	<u>\$3,686,428</u>	<u>\$ 89,159,987</u>
Support services:					
Student services	\$ 6,444,374	\$ 75,047	\$ 0	\$ 135,656	\$ 6,655,077
Instructional staff services	5,685,454	0	0	102,829	5,788,283
Administration services	11,144,284	2,199,203	0	163,142	13,506,629
Operation and maintenance of plant services	9,319,185	0	0	1,466,232	10,785,417
Transportation services	3,714,134	765,812	0	244,933	4,724,879
	<u>\$ 36,307,431</u>	<u>\$ 3,040,062</u>	<u>\$ 0</u>	<u>\$2,112,792</u>	<u>\$ 41,460,285</u>
Non-instructional programs	\$ 0	\$ 57,598	\$ 0	\$ 130,759	\$ 188,357
Facilities acquisition	\$ 0	\$14,428,903	\$ 0	\$ 0	\$ 14,428,903
Debt service:					
Principal	0	0	1,130,000	0	1,130,000
Interest and other charges	0	293,111	680,952	0	974,063
AEA flowthrough	4,928,817	0	0	0	4,928,817
	<u>\$ 4,928,817</u>	<u>\$14,722,014</u>	<u>\$ 1,810,952</u>	<u>\$ 0</u>	<u>\$ 21,461,783</u>
Total expenditures	<u>\$126,116,923</u>	<u>\$18,412,558</u>	<u>\$ 1,810,952</u>	<u>\$5,929,979</u>	<u>\$152,270,412</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (7,644,056)	\$ (3,788,861)	\$(1,775,434)	\$ 629,198	\$(12,579,153)
Other financing sources:					
Revenue bonds issued	\$ 0	\$15,960,000	\$ 0	\$ 0	\$ 15,960,000
Sales of property and equipment	83,679	13,315	0	0	96,994
Transfers in	176,512	0	4,041,360	0	4,217,872
Transfers out	0	(4,041,360)	0	(12,835)	(4,054,195)
Net change in fund balances	\$ (7,383,865)	\$ 8,143,094	\$ 2,265,926	\$ 616,363	\$ 3,641,518
Fund balances beginning of year	21,967,631	8,814,596	3,187,807	9,205,304	43,175,338
Fund balances end of year	<u>\$ 14,583,766</u>	<u>\$16,957,690</u>	<u>\$ 5,453,733</u>	<u>\$9,821,667</u>	<u>\$ 46,816,856</u>

See notes to financial statements.

Dubuque Community School District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
Year Ended June 30, 2015

Net change in fund balances – total governmental funds (page 40) \$ 3,641,518

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	\$ 15,075,282	
Depreciation expense	<u>(5,678,481)</u>	9,396,801

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. (45,030)

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	\$(15,960,000)	
Repaid	<u>1,130,000</u>	(14,830,000)

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. (467,578)

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 6,566,052

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	\$ (72,467)	
Other post-employment benefits	(1,142,693)	
Pension expense	<u>(3,307,407)</u>	<u>(4,522,567)</u>

Change in net position of governmental activities (page 37) \$ (260,804)

See notes to financial statements.

Dubuque Community School District
Statement of Net Position
Proprietary Fund
June 30, 2015

	School Nutrition
Assets:	
Current assets:	
Cash	\$ 798,420
Due from other governments	8,752
Inventories	<u>136,802</u>
Total current assets	\$ 943,974
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>180,689</u>
Total assets	<u>\$1,124,663</u>
Deferred Outflows of Resources:	
Pension related deferred outflows	\$ <u>244,170</u>
Total deferred outflows of resources	<u>\$ 244,170</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 7,649
Long-term liabilities:	
Net pension liability	1,028,845
Net OPEB liability	<u>223,358</u>
Total liabilities	<u>\$1,259,852</u>
Deferred Inflows of Resources:	
Pension related deferred inflows	\$ 392,372
Other	<u>94,374</u>
Total deferred inflows of resources	<u>\$ 486,746</u>
Net Position:	
Invested in capital assets	\$ 180,689
Unrestricted	<u>(558,454)</u>
Total net position	<u>\$ (377,765)</u>

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, 2015

	School Nutrition
Operating revenue:	
Local sources:	
Charges for service	\$ 2,442,999
Other	<u>29,085</u>
Total operating revenue	\$ 2,472,084
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	\$ 1,883,342
Benefits	614,996
Purchased services	57,641
Supplies	2,371,052
Depreciation	58,719
Loss on disposal of assets	<u>2,321</u>
Total operating expenses	\$ 4,988,071
Operating loss	<u><u>\$(2,515,987)</u></u>
Non-operating revenue:	
State sources	\$ 39,047
Federal sources	2,719,385
Interest on investments	<u>2,256</u>
Total non-operating revenue	\$ 2,760,688
Net income before transfers	\$ 244,701
Transfers in	0
Transfers out	<u>(163,677)</u>
Change in net position	\$ 81,024
Net position beginning of year, as restated	<u>(458,789)</u>
Net position end of year	<u><u>\$ (377,765)</u></u>

See notes to financial statements.

Dubuque Community School District
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2015

	School Nutrition
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 2,443,604
Cash received from miscellaneous operating activities	39,658
Cash payments to employees for services	(2,588,955)
Cash payments to suppliers for goods or services	<u>(2,095,632)</u>
Net cash used in operating activities	<u>\$(2,201,325)</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 39,047
Federal grants received	2,344,318
Transfers from other funds	0
Transfers to other funds	<u>(163,677)</u>
Net cash provided by non-capital financing activities	<u>\$ 2,219,688</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	\$ (14,876)
Cash flows from investing activities:	
Interest on investments	<u>2,256</u>
Net increase in cash and cash equivalents	\$ 5,743
Cash and cash equivalents at beginning of year	<u>792,677</u>
Cash and cash equivalents at end of year	<u>\$ 798,420</u>

(continued)

See notes to financial statements.

Dubuque Community School District
Statement of Cash Flows (continued)
Proprietary Fund
Year Ended June 30, 2015

**School
Nutrition**

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

Operating loss	\$(2,515,987)
Adjustments to reconcile operating loss to net cash used in operation activities:	
Commodities used	366,314
Depreciation	58,719
Loss on disposal of assets	2,321
(Increase) in inventories	(34,000)
Increase in accounts payable	686
(Decrease) in net pension liability	(381,122)
(Increase) in deferred outflows of resources	(92,579)
Increase in deferred inflows of resources	403,612
(Decrease) in net OPEB liability	<u>(9,289)</u>
Net cash used in operating activities	<u><u>\$(2,201,325)</u></u>

Non-cash investing, capital, and financial activities:

During the year ended June 30, 2015, the District received \$366,314 of Federal commodities.

See notes to financial statements.

Dubuque Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trust	Scholarship	Agency
Assets:			
Cash	\$148,079		\$29,056
Liabilities:			
Other payables	\$ <u>0</u>		\$29,056
Net Position:			
Reserved for scholarships	<u>\$148,079</u>		<u>\$ 0</u>

See notes to financial statements.

Dubuque Community School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2015

Private Purpose Trust

	Total
Additions:	
Local sources:	
Other local sources	\$ 5,220
Interest on investments	<u>365</u>
Total revenues	<u>\$ 5,585</u>
Deductions:	
Instruction:	
Regular instruction:	
Other	<u>\$ 3,581</u>
Change in net position	\$ 2,004
Net position beginning of year	<u>146,075</u>
Net position end of year	<u><u>\$148,079</u></u>

See notes to financial statements.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

B. Basis of Presentation: (continued)

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets 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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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 Special Revenue Funds account for and reports the proceeds to specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

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

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.

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.

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, Deferred Inflows of Resources and Fund Equity

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

D. Assets, Liabilities, Deferred Inflows of Resources 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, 2013, assessed property valuations; is for the tax accrual period July 1, 2014, through June 30, 2015, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2014.

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 \$5,000 will be capitalized. The Nutrition Fund equipment is capitalized with a cost of more than \$500.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

D. Assets, Liabilities, Deferred Inflows of Resources 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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period.

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 Inflows of Resources – 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 inflows of resources 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 inflows of resources consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty (60) days after year end.

Deferred inflows of resources 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 and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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, 2014. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity: (continued)

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.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity: (continued)

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 \$1,324,944 for state funding, \$12,575,413 for capital projects, \$5,453,733 for debt service, \$4,382,277 for physical plant and equipment levy, \$9,044,008 for management levy purposes, and \$777,659 for student activities.

E. Budgets and Budgetary Accounting

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

F. Subsequent Events

Management has evaluated for subsequent events through December 14, 2015, the date the financial statements were available to be issued. Based on that evaluation, there were no material subsequent events disclosed.

Note 2: Cash and Pooled Investments

As of June 30, 2015, the book balance of the District's petty cash totaled \$12,845 and the cash deposit balances totaled \$54,207,827.

As of June 30, 2015, the District had investments as follows:

<u>Investment</u>	<u>Type</u>	<u>Issue Date</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Amount</u>
Dubuque Bank & Trust	Certificate of Deposit	06/05/13	36 months	06/05/16	\$ 781,655
Dubuque Bank & Trust	Certificate of Deposit	05/22/12	134 months	07/01/23	1,000,000
Iowa Schools Joint Investment Trust (ISJIT)	Certificate of Deposit	01/15/15	65 months	06/20/20	<u>1,596,000</u>
					<u>\$3,377,655</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 2: Cash and Pooled Investments: (continued)

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 deposits in banks to be entirely covered by federal depository insurance or by the State Sinking Fund. As of June 30, 2015, 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	\$ 12,845
Cash deposits	54,207,827
Investments	<u>3,377,655</u>
	<u>\$57,598,327</u>
Governmental activities	\$56,622,772
Business-type activities	798,420
Fiduciary funds:	
Private Purpose Trust	148,079
Agency	<u>29,056</u>
	<u>\$57,598,327</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 3: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2015, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Proprietary	\$ 163,677
General	Special Revenue: Student Activity	12,835
Debt Service	Capital Projects	<u>4,041,360</u>
Total		<u>\$4,217,872</u>

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

Note 4: Capital Assets (see next page)

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2015, is as follows:

	Balance Beginning of Year	Increases / Reclassifications	(Decreases)	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,252,362	\$ 240,000	\$ 0	\$ 7,492,362
Construction in progress	25,179,586	13,924,134	(8,121,217)	30,982,503
Total capital assets not being depreciated	<u>\$ 32,431,948</u>	<u>\$14,164,134</u>	<u>\$(8,121,217)</u>	<u>\$ 38,474,865</u>
Capital assets being depreciated:				
Buildings and improvements	\$113,920,412	\$ 7,910,835	\$ 0	\$121,831,247
Land improvements	17,389,819	32,457	0	17,422,276
Furniture and equipment	21,999,298	1,089,073	(1,661,028)	21,427,343
Total capital assets being depreciated	<u>\$153,309,529</u>	<u>\$ 9,032,365</u>	<u>\$(1,661,028)</u>	<u>\$160,680,866</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 38,654,038	\$ 3,141,698	\$ 0	\$ 41,795,736
Land improvements	4,969,849	734,522	0	5,704,371
Furniture and equipment	15,528,392	1,802,261	(1,615,998)	15,714,655
Total accumulated depreciation	<u>\$ 59,152,279</u>	<u>\$ 5,678,481</u>	<u>\$(1,615,998)</u>	<u>\$ 63,214,762</u>
Total capital assets being depreciated, net	<u>\$ 94,157,250</u>	<u>\$ 3,353,884</u>	<u>\$ (45,030)</u>	<u>\$ 97,466,104</u>
Governmental activities capital assets, net	<u>\$126,589,198</u>	<u>\$17,518,018</u>	<u>\$(8,166,247)</u>	<u>\$135,940,969</u>
Business-type Activities:				
Furniture and equipment	\$ 1,461,446	\$ 14,876	\$ (22,450)	\$ 1,453,872
Less accumulated depreciation	1,234,594	58,719	(20,130)	1,273,183
Business-type activities capital assets, net	<u>\$ 226,852</u>	<u>\$ (43,843)</u>	<u>\$ (2,320)</u>	<u>\$ 180,689</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 4: Capital Assets: (continued)

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 143,926
Special	22,072
Other	108,639

Support services:

Student services	2,521
Instructional staff	0
Administration	524,726
Operation and maintenance of plant	128,549
Transportation	786,219
Non-instructional programs	0

\$1,716,652

Unallocated depreciation 3,961,829

Total governmental activities depreciation expense \$5,678,481

Business-type activities:

Food services	
Regular depreciation	<u>\$ 58,719</u>

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2015, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$33,033,000	\$15,960,000	\$ 1,130,000	\$47,863,000	\$1,390,000
Compensated absences	528,193	600,660	528,193	600,660	600,660
Net pension liability	56,494,118	0	15,270,677	41,223,441	0
Net OPEB liability	6,635,738	1,713,318	570,625	7,778,431	0
	<u>\$96,691,049</u>	<u>\$18,273,978</u>	<u>\$17,499,495</u>	<u>\$97,465,532</u>	<u>\$1,990,660</u>
Business type activities:					
Net pension liability	\$ 1,409,967	\$ 0	\$ 381,122	\$ 1,028,845	\$ 0
Net OPEB liability	232,647	7,096	16,385	223,358	0
	<u>\$ 1,642,614</u>	<u>\$ 7,096</u>	<u>\$ 397,507</u>	<u>\$ 1,252,203</u>	<u>\$ 0</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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, 2015, is as follows:

Summary – Debt Service Requirements to Maturity			
Year Ending June 30	Principal	Interest	Total
2016	\$ 1,390,000	\$ 1,322,393	\$ 2,712,393
2017	1,960,000	1,312,691	3,272,691
2018	1,975,000	1,279,466	3,254,466
2019	2,994,000	1,229,947	4,223,947
2020	3,009,000	1,163,042	4,172,042
2021	2,930,000	1,095,170	4,025,170
2022	2,960,000	1,025,871	3,985,871
2023	2,995,000	953,293	3,948,293
2024	2,100,000	888,227	2,988,227
2025	1,745,000	835,996	2,580,996
2026	1,760,000	786,657	2,546,657
2027	1,775,000	735,646	2,510,646
2028	1,790,000	683,075	2,473,075
2029	7,210,000	541,242	7,751,242
2030	11,270,000	279,300	11,549,300
	\$47,863,000	\$14,132,016	\$61,995,016

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 5: Long-term Liabilities: (continued)

Details of the District's June 30, 2015, school infrastructure sales, services and use tax revenue refunding bond indebtedness are as follows:

Series 2012 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
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
		\$9,435,000	\$826,001	\$10,261,001

Series 2013 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
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
		\$9,435,000	\$1,724,272	\$11,159,272

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 5: Long-term Liabilities: (continued)

Series 2014 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2016	3.15%	\$ 250,000	\$ 406,602	\$ 656,602
2017	3.15%	225,000	399,121	624,121
2018	3.15%	225,000	392,033	617,033
2019	3.15%	1,224,000	369,212	1,593,212
2020	3.15%	1,209,000	330,892	1,539,892
2021	3.15%	1,100,000	294,525	1,394,525
2022	3.15%	1,100,000	259,875	1,359,875
2023	3.15%	1,100,000	225,225	1,325,225
2024	3.15%	1,100,000	190,575	1,290,575
2025	3.15%	1,100,000	155,925	1,255,925
2026	3.15%	1,100,000	121,275	1,221,275
2027	3.15%	1,100,000	86,625	1,186,625
2028	3.15%	1,100,000	51,975	1,151,975
2029	3.15%	1,100,000	17,325	1,117,325
2030	3.15%	0	0	0
		<u>\$13,033,000</u>	<u>\$3,301,185</u>	<u>\$16,334,185</u>

Series 2015 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2016	3.25%	\$ 0	\$ 560,908	\$ 560,908
2017	3.25%	0	580,250	580,250
2018	3.25%	0	580,250	580,250
2019	3.25%	0	580,250	580,250
2020	3.25%	0	580,250	580,250
2021	3.25%	0	580,250	580,250
2022	3.25%	0	580,250	580,250
2023	3.25%	0	580,250	580,250
2024	3.25%	0	580,250	580,250
2025	3.25%	0	580,250	580,250
2026	3.25%	0	580,250	580,250
2027	3.25%	0	580,250	580,250
2028	3.25%	0	580,250	580,250
2029	3.25%	5,400,000	492,500	5,892,500
2030	3.50% - 4.00%	10,560,000	264,150	10,824,150
		<u>\$15,960,000</u>	<u>\$8,280,558</u>	<u>\$24,240,558</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 5: Long-term Liabilities: (continued)

The District has pledged future statewide sales, services and use tax revenues to repay the \$47,863,000 of bonds issued in May 2012, June 2013, March 2014, and January 2015.

In May 2012, the District issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012 for the purpose of providing funds 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.

In June 2013, the District issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2013 for the purpose of providing 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.

In March 2014, the District issued \$13,033,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2014 for the purpose of providing funds for renovations, improvements, and additions to Hempstead High School and Kennedy Elementary School.

In January 2015, the District issued \$15,960,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2015 for the purpose of providing funds for renovations, improvements, and additions to Hempstead High School, renovations to the Senior High School 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 \$61,995,016.

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

- a) \$3,377,655 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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 5: Long-term Liabilities: (continued)

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

The District complied with all revenue-bond provisions during the year ended June 30, 2015.

During the year ended June 30, 2015, the District made interest payments totaling \$680,952.

Note 6: Pension Plan and Retirement Benefits

Plan Description - IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2015 were \$6,729,926.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the District reported a liability of \$42,252,286 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's collective proportion was 1.044018 percent, which was an increase of 0.021340 from its proportion measured as of June 30, 2013.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

For the year ended June 30, 2015, the District recognized pension expense of \$3,389,952. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 459,200	\$ 0
Changes of assumptions	1,864,689	0
Net difference between projected and actual earnings on pension plan investments	0	16,113,805
Changes in proportion and differences between District contributions and proportionate share of contributions	973,662	0
District contributions subsequent to the measurement date	6,729,926	0
Total	<u>\$10,027,477</u>	<u>\$16,113,805</u>

\$6,729,926 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ (3,257,995)
2017	(3,257,995)
2018	(3,257,995)
2019	(3,257,995)
2020	215,728
Total	<u>\$(12,816,252)</u>

There were no non-employer contributing entities at IPERS.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

Actuarial Assumptions - The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	23%	6.31
Non US Equity	15%	6.76
Private Equity	13%	11.34
Real Estate	8%	3.52
Core Plus Fixed Income	28%	2.06
Credit Opportunities	5%	3.67
TIPS	5%	1.92
Other Real Assets	2%	6.27
Cash	1%	(0.69)
Total	<u>100%</u>	

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$79,834,507	\$42,252,286	\$10,528,997

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan - At June 30, 2015, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

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, 2015, the District has obligations to fifty-two (52) participants with a total accrued liability of \$1,818,170. These early retirement benefits will be paid July 1, 2015.

Early retirement benefits paid during the year ended June 30, 2015, totaled \$237,469.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 7: Other Post-employment Benefits

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

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

Annual OPEB Cost and Net OPEB Obligation: The District’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty (30) years.

The following table shows the components of the District’s annual OPEB cost for the year ended June 30, 2015, the amount actuarially contributed to the plan and changes in the District’s annual OPEB obligation:

Annual required contribution	\$1,514,362
Interest on net OPEB obligation	206,052
Adjustment to annual required contribution	<u>(228,946)</u>
Annual OPEB cost (expenses)	\$1,491,468
Contributions and payments made	<u>(358,064)</u>
Increase in net OPEB obligation	\$1,133,404
Net OPEB obligation – June 30, 2014	<u>6,868,385</u>
Net OPEB obligation – June 30, 2015	\$8,001,789

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end-of-year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2015, are summarized as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 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
June 30, 2014	\$1,342,812	29.8%	\$6,868,385
June 30, 2015	\$1,491,468	24.0%	\$8,001,789

Funded Status and Funding Progress: As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014, through June 30, 2015, the actuarial accrued liability was \$12.147 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$12.147 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$75,363,092 and the ratio of the UAAL to covered payroll was 16.1%. As of June 30, 2015, there were no trust fund assets.

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

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

In the July 1, 2014, actuarial valuation the unit credit actuarial cost method was used. The actuarial assumptions included an annual health care cost trend rate of 7.1% initially, to an ultimate rate of 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, 2014, was 30 years.

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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 \$4,928,817 for the year ended June 30, 2015, and is recorded in the general fund by making a memorandum adjusting entry to the financial statements.

Note 10: Construction Contracts and Other Commitments

On May 13, 2013, the District signed a \$30,343,000 contract for renovations to Hempstead High School. As of June 30, 2015, \$(389,763) of change orders had been subtracted from the project. Funding will come from the sales tax fund. As of June 30, 2015, \$28,238,154 had been paid on the contract.

On April 13, 2015, the District signed a \$675,504 contract for the historic window replacement at Bryant Elementary School. As of June 30, 2015, \$19,793 of change orders had been added to the project. Funding will come from private donations. As of June 30, 2015, \$256,555 had been paid on the contract.

At June 30, 2015, the District had approximately \$450,885 in commitments related to unfilled purchase orders for goods and services.

Note 11: Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

Note 11: Accounting Change/Restatement: (continued)

Made Subsequent to the Measurement Date. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	Business-type Activities
Net position June 30, 2014, as previously reported	\$129,377,414	\$ 799,587
Net pension liability at June 30, 2014	(56,494,118)	(1,409,967)
Deferred outflows of resources related to contributions made after the June 30, 2013, measurement date	6,073,906	151,591
Net position July 1, 2014, as restated	<u>\$ 78,957,202</u>	<u>\$ (458,789)</u>

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

The District implemented the following statements:

- The GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* in January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 31, 2013, and should be applied on a prospective basis. The Statement had no effect on the District in the current fiscal year.
- The GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

governments that receive nonexchange financial guarantees. This Statement is effective for fiscal years ended December 31, 2014. The Statement had no effect on the District in the current fiscal year.

As of June 30, 2015, 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. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, issued June 2015, will be effective for the District beginning with its fiscal year ending June 30, 2016 - except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for the District beginning with its fiscal year ending June 30, 2017. The Statement establishes requirements for pensions not covered by Statement Nos. 67 and 68 which are essentially the same requirements as Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements.
- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the District beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued July 2015, will be effective for the District beginning with its fiscal year ending June 30, 2016. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The first category of authoritative

Dubuque Community School District

Notes to Financial Statements

June 30, 2015

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

- GAAP consists of GASB Statements. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.
- GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the District beginning with its fiscal year ending June 30, 2017. This Statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.

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, 2015

	Actual Amounts			Budgeted Amounts		Final to Actual Variance
	Governmental Funds	Proprietary Fund	Total	Original	Amended	
Revenues:						
Local sources	\$ 51,951,189	\$2,474,340	\$ 54,425,529	\$ 53,657,438	\$ 53,657,438	\$ 768,091
State sources	81,462,443	39,047	81,501,490	80,701,244	80,701,244	800,246
Federal sources	6,277,627	2,719,385	8,997,012	8,782,200	8,782,200	214,812
Total revenues	<u>\$139,691,259</u>	<u>\$5,232,772</u>	<u>\$144,924,031</u>	<u>\$143,140,882</u>	<u>\$143,140,882</u>	<u>\$1,783,149</u>
Expenditures:						
Instruction	\$ 89,159,987	\$ 0	\$ 89,159,987	\$ 88,356,873	\$ 88,356,873	\$ (803,114)
Support services	41,460,285	0	41,460,285	40,792,858	41,292,858	(167,427)
Non-instructional programs	188,357	4,988,071	5,176,428	5,236,604	5,736,604	560,176
Other expenditures	21,461,783	0	21,461,783	22,533,259	22,533,259	1,071,476
Total expenditures	<u>\$152,270,412</u>	<u>\$4,988,071</u>	<u>\$157,258,483</u>	<u>\$156,919,594</u>	<u>\$157,919,594</u>	<u>\$ 661,111</u>
Excess (deficiency) of revenues over expenditures	\$ (12,579,153)	\$ 244,701	\$ (12,334,452)	\$ (13,778,712)	\$ (14,778,712)	\$2,444,260
Other financing sources, net	16,220,671	(163,677)	16,056,994	10,105,000	10,105,000	5,951,994
Excess (deficiency) of revenues and other financing sources over expenditures	\$ 3,641,518	\$ 81,024	\$ 3,722,542	\$ (3,673,712)	\$ (4,673,712)	\$8,396,254
Balances beginning of year	43,175,338	(458,789)	42,716,549	42,338,066	42,338,066	378,483
Balances end of year	<u>\$ 46,816,856</u>	<u>\$ (377,765)</u>	<u>\$ 46,439,091</u>	<u>\$ 38,664,354</u>	<u>\$ 37,664,354</u>	<u>\$8,774,737</u>

See accompanying independent auditor's report.

Dubuque Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year Ended June 30, 2015

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs, and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the general fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$1,000,000.

During the year ended June 30, 2015, expenditures in the instruction and support services functions exceeded the amounts budgeted.

Dubuque Community School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
Last Fiscal Year *
Required Supplementary Information

	2015
District's proportion of the net pension liability	1.044018%
District's proportionate share of the net pension liability	\$42,252,286
District's covered-employee payroll	\$75,363,092
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.06%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

See accompanying independent auditor's report.

Dubuque Community School District
Schedule of District Contributions
Iowa Public Employees' Retirement System
Last Ten Fiscal Years
Required Supplementary Information

	2015	2014	2013	2012
Statutorily required contribution	\$ 6,729,926	\$ 6,225,569	\$ 5,734,626	\$ 5,218,342
Contributions in relation to the statutorily required contribution	(6,729,926)	(6,225,569)	(5,734,626)	(5,218,342)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$75,363,092	\$69,715,216	\$66,143,315	\$64,684,349
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%

See accompanying independent auditor's report.

Dubuque Community School District
Schedule of District Contributions
Iowa Public Employees' Retirement System
Last Ten Fiscal Years
Required Supplementary Information

2011	2010	2009	2008	2007	2006
\$ 4,466,474	\$ 4,313,135	\$ 4,199,404	\$ 3,807,858	\$ 3,342,705	\$ 3,147,107
(4,466,474)	(4,313,135)	(4,199,404)	(3,807,858)	(3,342,705)	(3,147,107)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$64,287,186	\$64,871,878	\$66,137,994	\$62,939,802	\$58,134,000	\$54,732,296
6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

See accompanying independent auditor's report.

Dubuque Community School District
Notes to Required Supplementary Information – Pension Liability
Year Ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

Dubuque Community School District
Notes to Required Supplementary Information – Pension Liability
Year Ended June 30, 2015

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

Dubuque Community School District
Schedule of Funding Progress for the Retiree Health Benefit Plan
Required Supplementary Information
June 30, 2015

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%
2014	7/1/2012	\$0	\$14,401,113	\$14,401,113	0.0%	\$69,715,216	20.7%
2015	7/1/2014	\$0	\$12,146,829	\$12,146,829	0.0%	\$75,363,092	16.1%

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, 2015

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, 2015

	Special Revenue		
	Management Levy	Student Activity	Total
Assets			
Cash	\$10,848,921	\$787,692	\$11,636,613
Receivables:			
Property tax:			
Delinquent	35,378	0	35,378
Succeeding year	1,500,000	0	1,500,000
Other	0	4,875	4,875
Total assets	\$12,384,299	\$792,567	\$13,176,866
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 12,630	\$ 14,908	\$ 27,538
Early retirement payable	1,818,170	0	1,818,170
Total liabilities	\$ 1,830,800	\$ 14,908	\$ 1,845,708
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	\$ 1,500,000	\$ 0	\$ 1,500,000
Other	9,491	0	9,491
Total deferred inflows of resources	\$ 1,509,491	\$ 0	\$ 1,509,491
Fund balances:			
Restricted for:			
Management levy purposes	\$ 9,044,008	\$ 0	\$ 9,044,008
Student activities	0	777,659	777,659
Total fund balances	\$ 9,044,008	\$777,659	\$ 9,821,667
Total liabilities, deferred inflows of resources and fund balances	\$12,384,299	\$792,567	\$13,176,866

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, 2015

	Special Revenue		
	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	\$4,744,876	\$ 0	\$4,744,876
Other	29,686	1,691,722	1,721,408
State sources	92,893	0	92,893
Total revenues	<u>\$4,867,455</u>	<u>\$1,691,722</u>	<u>\$6,559,177</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$1,454,920	\$ 0	\$1,454,920
Special instruction	603,570	0	603,570
Other instruction	4,354	1,623,584	1,627,938
Support services:			
Student services	135,656	0	135,656
Instructional staff services	102,829	0	102,829
Administration services	144,630	18,512	163,142
Operation and maintenance of plant services	1,463,786	2,446	1,466,232
Transportation services	187,090	57,843	244,933
Non-instructional programs	130,759	0	130,759
Total expenditures	<u>\$4,227,594</u>	<u>\$1,702,385</u>	<u>\$5,929,979</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 639,861	\$ (10,663)	\$ 629,198
Other financing sources:			
Operating transfers out	\$ 0	\$ (12,835)	\$ (12,835)
Net change in fund balances	<u>\$ 639,861</u>	<u>\$ (23,498)</u>	<u>\$ 616,363</u>
Fund balances beginning of year	<u>8,404,147</u>	<u>801,157</u>	<u>9,205,304</u>
Fund balances end of year	<u><u>\$9,044,008</u></u>	<u><u>\$ 777,659</u></u>	<u><u>\$9,821,667</u></u>

See accompanying independent auditor's report.

Dubuque Community School District

Capital Project Accounts

Capital Projects Fund

Year Ended June 30, 2015

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, 2015

Assets	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Cash and pooled investments	\$11,402,802	\$4,551,124	\$15,953,926
Receivables:			
Property tax:			
Delinquent	0	28,150	28,150
Succeeding year	0	3,591,457	3,591,457
Due from other governments	1,556,050	13,315	1,569,365
Total assets	\$12,958,852	\$8,184,046	\$21,142,898
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 383,439	\$ 202,743	\$ 586,182
Total liabilities	\$ 383,439	\$ 202,743	\$ 586,182
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	\$ 0	\$3,591,457	\$ 3,591,457
Other	0	7,569	7,569
Total deferred inflows of resources	\$ 0	\$3,599,026	\$ 3,599,026
Fund balances:			
Restricted for:			
School infrastructure	\$12,575,413	\$ 0	\$12,575,413
Physical plant and equipment levy	0	4,382,277	4,382,277
Total fund balances	\$12,575,413	\$4,382,277	\$16,957,690
Total liabilities, deferred inflows of resources and fund balances	\$12,958,852	\$8,184,046	\$21,142,898

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, 2015

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ 0	\$3,566,611	\$ 3,566,611
Other	156,744	790,157	946,901
State sources	10,038,752	71,433	10,110,185
Federal sources	0	0	0
Total revenues	<u>\$10,195,496</u>	<u>\$4,428,201</u>	<u>\$14,623,697</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$ 545,136	\$ 44,090	\$ 589,226
Other instruction	0	3,658	3,658
	<u>\$ 545,136</u>	<u>\$ 47,748</u>	<u>\$ 592,884</u>
Support services:			
Student services	\$ 75,047	\$ 0	\$ 75,047
Administration services	1,833,653	365,550	2,199,203
Transportation services	13,044	752,768	765,812
	<u>\$ 1,921,744</u>	<u>\$1,118,318</u>	<u>\$ 3,040,062</u>
Non-instructional programs	<u>\$ 0</u>	<u>\$ 57,598</u>	<u>\$ 57,598</u>
Facilities acquisition	<u>\$12,550,018</u>	<u>\$1,878,885</u>	<u>\$14,428,903</u>
Debt service:			
Principal	\$ 0	\$ 0	\$ 0
Interest and other charges	293,111	0	293,111
	<u>\$12,843,129</u>	<u>\$1,878,885</u>	<u>\$14,722,014</u>
Total expenditures	<u>\$15,310,009</u>	<u>\$3,102,549</u>	<u>\$18,412,558</u>
Excess (deficiency) of revenues over (under) expenditures	\$(5,114,513)	\$1,325,652	\$(3,788,861)
Other financing sources:			
Revenue bonds issued	\$15,960,000	\$ 0	\$15,960,000
Sale of property and equipment	0	13,315	13,315
Transfers out	(4,041,360)	0	(4,041,360)
Net change in fund balances	<u>\$ 6,804,127</u>	<u>\$1,338,967</u>	<u>\$ 8,143,094</u>
Fund balances beginning of year	5,771,286	3,043,310	8,814,596
Fund balances end of year	<u>\$12,575,413</u>	<u>\$4,382,277</u>	<u>\$16,957,690</u>

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2015

	Balance June 30, 2014	Revenues	Expenditures	Balance June 30, 2015
Senior High Schools:				
Alternative Learning Center	\$ 1,142	\$ 2,793	\$ 2,335	\$ 1,600
Stephen Hempstead	254,605	492,377	491,438	255,544
Dubuque Senior	296,225	592,895	604,216	284,904
Total Senior High Schools	<u>\$551,972</u>	<u>\$1,088,065</u>	<u>\$1,097,989</u>	<u>\$542,048</u>
Middle Schools:				
Jefferson	\$ 81,442	\$ 20,514	\$ 30,152	\$ 71,804
Washington	38,728	58,370	56,252	40,846
Roosevelt	97,991	60,544	85,324	73,211
Total Middle Schools	<u>\$218,161</u>	<u>\$ 139,428</u>	<u>\$ 171,728</u>	<u>\$185,861</u>
Elementary Schools:				
Audubon	\$ 6,993	\$ 303	\$ 1,541	\$ 5,755
Bryant	1,134	3,521	3,373	1,282
Eisenhower	1,006	421	0	1,427
Carver	1,524	357	0	1,881
Fulton	3,594	5,438	5,193	3,839
Hoover	4,024	6,047	4,653	5,418
Irving	2,925	8,149	5,806	5,268
Kennedy	1,570	338	650	1,258
Lincoln	734	584	310	1,008
Marshall	2,759	7,636	6,301	4,094
Prescott	1,624	908	498	2,034
Sageville	857	845	209	1,493
Table Mound	4,115	761	140	4,736
Jones Hand-in-Hand Preschool	352	0	0	352
Total Elementary Schools	<u>\$ 33,211</u>	<u>\$ 35,308</u>	<u>\$ 28,674</u>	<u>\$ 39,845</u>
Athletic reserve	\$ (13,955)	\$ 420,895	\$ 409,386	\$ (2,446)
District instrumental music	11,768	8,026	7,443	12,351
	<u>\$ (2,187)</u>	<u>\$ 428,921</u>	<u>\$ 416,829</u>	<u>\$ 9,905</u>
Grand Total	<u><u>\$801,157</u></u>	<u><u>\$1,691,722</u></u>	<u><u>\$1,715,220</u></u>	<u><u>\$777,659</u></u>

See accompanying independent auditor's report.

Dubuque Community School District
Schedule of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2015

	Private Purpose Trust				Total
	Trust	Scholarships			
	Prescott Elementary Trust	Dubuque Senior High School Scholarships	Stephen Hempstead High School Scholarships	Alternative Learning Center Scholarship	
Additions:					
Local sources:					
Other local sources	\$ 0	\$ 3,200	\$ 2,020	\$ 0	\$ 5,220
Interest on investments	<u>39</u>	<u>254</u>	<u>70</u>	<u>2</u>	<u>365</u>
Total revenues	<u>\$ 39</u>	<u>\$ 3,454</u>	<u>\$ 2,090</u>	<u>\$ 2</u>	<u>\$ 5,585</u>
Deductions:					
Instruction:					
Regular instruction:					
Other	<u>\$ 0</u>	<u>\$ 818</u>	<u>\$ 2,763</u>	<u>\$ 0</u>	<u>\$ 3,581</u>
Change in net position	\$ 39	\$ 2,636	\$ (673)	\$ 2	\$ 2,004
Net position beginning of year	<u>\$15,694</u>	<u>\$100,115</u>	<u>\$29,623</u>	<u>\$643</u>	<u>\$146,075</u>
Net position end of year	<u>\$15,733</u>	<u>\$102,751</u>	<u>\$28,950</u>	<u>\$645</u>	<u>\$148,079</u>

See accompanying independent auditor's report.

Dubuque Community School District
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Fund
Year Ended June 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash	\$31,415	\$29,289	\$31,648	\$29,056
Total assets	<u>\$31,415</u>	<u>\$29,289</u>	<u>\$31,648</u>	<u>\$29,056</u>
Liabilities				
Other payables	\$31,415	\$29,289	\$31,648	\$29,056
Total liabilities	<u>\$31,415</u>	<u>\$29,289</u>	<u>\$31,648</u>	<u>\$29,056</u>

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds

For the Last Ten Years

	Modified Accrual Basis			
	2015	2014	2013	2012
Revenues:				
Local sources:				
Local tax	\$ 44,918,498	\$ 45,256,554	\$ 57,952,211	\$ 59,573,803
Tuition	2,571,634	2,076,227	2,364,636	2,264,001
Other	4,461,057	4,403,650	4,149,932	3,237,573
State sources	81,462,443	74,879,014	62,706,583	62,040,783
Federal sources	6,277,627	6,323,012	6,852,735	7,729,416
Total	<u>\$139,691,259</u>	<u>\$132,938,457</u>	<u>\$134,026,097</u>	<u>\$134,845,576</u>
Expenditures:				
Instruction:				
Regular instruction	\$ 48,744,947	\$ 45,838,993	\$ 41,180,652	\$ 40,768,416
Special instruction	26,651,874	24,813,653	23,533,298	22,492,388
Other instruction	13,763,166	13,169,530	13,080,400	12,840,284
Support services:				
Student services	6,655,077	6,305,561	5,492,706	5,252,695
Instructional staff services	5,788,283	5,750,601	4,602,493	3,984,983
Administration services	13,506,629	12,725,816	12,389,626	12,341,464
Operation and maintenance of plant services	10,785,417	9,599,256	9,057,962	8,702,928
Transportation services	4,724,879	5,612,731	4,277,877	4,120,582
Non-instructional programs	188,357	156,327	364,825	135,718
Other expenditures:				
Facilities acquisition	14,428,903	25,750,982	14,520,178	4,919,944
Debt service:				
Principal	1,130,000	4,850,000	7,600,000	7,200,000
Interest and fiscal charges	974,063	471,005	507,785	556,069
AEA flowthrough	4,928,817	4,723,656	4,515,012	4,496,822
TIF property tax payment to City and other property taxes	0	0	0	0
City street assessments	0	0	0	0
Total	<u>\$152,270,412</u>	<u>\$159,768,111</u>	<u>\$141,122,814</u>	<u>\$127,812,293</u>

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds

For the Last Ten Years

Modified Accrual Basis					
2011	2010	2009	2008	2007	2006
\$ 56,970,220	\$ 55,448,603	\$ 53,527,722	\$ 49,698,676	\$ 47,166,139	\$ 43,695,073
2,146,825	2,229,601	2,054,271	1,974,497	1,970,036	1,591,829
3,523,606	3,716,733	3,845,347	4,531,034	4,342,335	4,853,070
60,409,551	52,410,026	60,032,976	57,095,921	51,611,486	47,796,591
9,393,044	12,657,914	6,694,658	4,296,825	3,460,383	3,630,635
\$132,443,246	\$126,462,877	\$126,154,974	\$117,596,953	\$108,550,379	\$101,567,198
\$ 39,582,892	\$ 40,345,167	\$ 41,870,736	\$ 39,315,976	\$ 36,383,897	\$ 34,064,192
21,727,446	22,461,743	22,934,962	19,711,873	17,799,574	16,289,430
12,144,120	11,483,872	8,923,625	9,841,978	9,059,837	8,659,689
5,034,660	5,053,316	5,093,057	4,893,096	4,422,022	4,285,632
3,566,495	3,422,804	3,552,175	3,755,466	3,615,550	4,135,111
12,875,379	10,602,780	10,349,190	10,428,962	10,120,152	9,499,497
8,406,122	8,554,178	8,958,199	9,118,255	8,564,905	8,312,753
4,003,962	3,465,091	3,019,418	3,145,333	3,729,525	3,364,702
155,648	306,817	93,675	143,549	133,012	166,235
1,471,553	3,547,438	3,718,729	6,024,792	18,839,199	21,353,125
8,710,000	33,299,833	7,466,208	4,496,208	1,036,209	101,208
524,654	1,323,733	1,482,355	1,675,126	1,542,704	1,236,956
4,922,517	4,802,377	4,321,171	4,106,863	3,803,870	3,532,385
0	0	229	25,690	26,248	26,248
0	0	0	0	79,548	0
\$123,125,448	\$148,669,149	\$121,783,729	\$116,683,167	\$119,156,252	\$115,027,163

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

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

Revenue Capacity

10-13

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

Debt Capacity

14-17

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

18-19

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

Operating Information

20-22

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Table 1

**Dubuque Community School District
Net Position by Components
Last Ten Fiscal Years**

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

	Fiscal Year			
	2015	2014	2013	2012
Governmental activities:				
Net investment in capital assets	\$88,077,969	\$ 93,556,198	\$ 80,199,696	\$ 72,432,082
Restricted	33,558,034	22,585,523	29,345,373	25,752,325
Unrestricted	(42,939,605)	13,235,693	20,945,199	22,014,328
Total governmental activities net position	\$78,696,398	\$129,377,414	\$130,490,268	\$120,198,735
Business-type activities:				
Net investment in capital assets	\$ 180,689	\$ 226,852	\$ 294,532	\$ 280,661
Restricted	0	0	0	0
Unrestricted	(558,454)	572,735	545,461	851,251
Total business-type activities net position	\$ (377,765)	\$ 799,587	\$ 839,993	\$ 1,131,912
Primary government:				
Net investment in capital assets	\$88,258,658	\$ 93,783,050	\$ 80,494,228	\$ 72,712,743
Restricted	32,900,265	22,585,523	29,345,373	25,752,325
Unrestricted	(42,840,290)	13,808,428	21,490,660	22,865,579
Total primary government net position	\$78,318,633	\$130,177,001	\$131,330,261	\$121,330,647

Source: *District Financial Records*

Table 1

Dubuque Community School District
Net Position by Components
Last Ten Fiscal Years

2011	2010	2009	2008	2007	2006
\$ 72,646,181	\$64,429,213	\$59,780,783	\$53,355,696	\$43,446,260	\$41,984,932
18,245,575	17,404,114	9,206,811	8,920,643	6,559,669	5,713,421
13,348,662	5,121,609	7,757,840	4,416,579	5,627,070	8,371,837
<u>\$104,240,418</u>	<u>\$86,954,936</u>	<u>\$76,745,434</u>	<u>\$66,692,918</u>	<u>\$55,632,999</u>	<u>\$56,070,190</u>
\$ 311,734	\$ 399,217	\$ 442,195	\$ 483,616	\$ 537,950	\$ 518,906
0	0	0	0	0	0
934,055	861,361	808,733	882,625	877,323	714,858
<u>\$ 1,245,789</u>	<u>\$ 1,260,578</u>	<u>\$ 1,250,928</u>	<u>\$ 1,366,241</u>	<u>\$ 1,415,273</u>	<u>\$ 1,233,764</u>
\$ 72,957,915	\$64,828,430	\$60,222,978	\$53,839,312	\$43,984,210	\$42,503,838
18,245,575	17,404,114	9,206,811	8,920,643	6,559,669	5,713,421
14,282,717	5,982,970	8,566,573	5,299,204	6,504,393	9,086,695
<u>\$105,486,207</u>	<u>\$88,215,514</u>	<u>\$77,996,362</u>	<u>\$68,059,159</u>	<u>\$57,048,272</u>	<u>\$57,303,954</u>

Table 2

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Expenses:				
Governmental activities:				
Instruction	\$ 87,066,710	\$ 83,984,002	\$ 77,755,484	\$ 76,200,554
Student services	6,457,946	6,306,779	5,505,944	5,262,498
Instructional staff services	5,650,117	5,750,601	4,602,597	3,988,500
Administration services	13,683,311	13,236,921	12,281,517	11,285,684
Operation and maintenance of plant services	10,753,161	9,684,699	9,102,217	8,800,056
Transportation services	4,906,348	4,981,110	4,420,179	4,040,587
Non-instructional programs	184,930	159,179	364,825	134,228
AEA flowthrough	4,928,817	4,723,656	4,515,012	4,496,822
TIF property tax payment and street assessments to City	0	0	0	0
Interest on long-term debt	1,148,530	406,017	344,756	317,750
Bond costs	293,111	116,998	166,710	143,819
Other post-employment benefits	1,142,693	911,203	777,152	1,432,116
Depreciation (unallocated)	3,900,066	3,938,398	4,243,202	3,110,181
Total governmental activities expenses	\$140,115,740	\$134,199,563	\$124,079,595	\$119,212,795
Business-type activities:				
Nutrition services	\$ 4,988,071	\$ 4,983,100	\$ 5,014,578	\$ 4,829,167
Total business-type activities expenses	\$ 4,988,071	\$ 4,983,100	\$ 5,014,578	\$ 4,829,167
Total primary government expenses	\$145,103,811	\$139,182,663	\$129,094,173	\$124,041,962

(Continued on the following page.)

Table 2

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

2011	2010	2009	2008	2007	2006
\$ 73,398,582	\$ 74,580,509	\$ 74,524,139	\$ 67,010,362	\$ 68,921,618	\$57,066,744
4,916,281	5,064,842	5,147,311	4,766,058	4,813,824	4,149,153
3,582,091	3,442,464	3,607,500	3,677,598	3,873,716	3,987,756
12,704,945	10,704,315	10,590,758	10,125,713	10,955,010	9,174,908
8,123,156	8,658,932	9,011,009	8,835,601	8,967,625	7,960,412
3,511,033	3,521,943	3,501,716	3,683,632	3,738,099	3,259,502
157,526	309,415	96,998	142,067	138,771	161,802
4,922,517	4,802,377	4,321,171	4,106,863	3,803,870	3,532,385
0	0	229	25,690	105,796	26,248
487,800	1,271,952	1,482,355	1,675,126	1,542,704	1,120,477
1,000	316,635	0	0	23,615	128,710
1,380,724	1,044,119	1,090,424	0	0	0
2,259,167	3,230,537	3,090,034	2,745,092	2,227,645	1,875,361
\$115,444,822	\$116,948,040	\$116,463,644	\$106,793,802	\$109,112,293	\$92,443,458
\$ 4,609,057	\$ 4,562,590	\$ 4,336,522	\$ 4,159,239	\$ 3,949,212	\$ 3,957,058
\$ 4,609,057	\$ 4,562,590	\$ 4,336,522	\$ 4,159,239	\$ 3,949,212	\$ 3,957,058
\$120,053,879	\$121,510,630	\$120,800,166	\$110,953,041	\$113,061,505	\$96,400,516

Table 2

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 5,037,413	\$ 4,465,125	\$ 4,900,867	\$ 4,441,216
Support services	54,977	50,924	38,310	39,417
Operating grants and contributions	23,329,640	19,919,287	19,679,045	20,298,874
Capital grants and contributions	0	0	0	0
Total governmental activities program revenues	\$ 28,422,030	\$ 24,435,336	\$ 24,618,222	\$ 24,779,507
Business-type activities:				
Charges for services:				
Nutrition services	\$ 2,472,084	\$ 2,421,620	\$ 2,403,562	\$ 2,471,310
Operating grants and contributions	2,758,432	2,667,519	2,590,171	2,517,574
Total business-type program revenues	\$ 5,230,516	\$ 5,089,139	\$ 4,993,733	\$ 4,988,884
Total primary government program revenues	\$ 33,652,546	\$ 29,524,475	\$ 29,611,955	\$ 29,768,391
Net (expense) revenue:				
Governmental activities	\$(111,693,710)	\$(109,764,227)	\$(99,461,373)	\$(94,433,288)
Business-type activities	242,445	106,039	(20,845)	159,717
Total primary government net expense	\$(111,451,265)	\$(109,658,188)	\$(99,482,218)	\$(94,273,571)

Source: District Financial Records

Table 2

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

2011	2010	2009	2008	2007	2006
\$ 4,481,908	\$ 4,343,293	\$ 4,139,082	\$ 4,181,758	\$ 4,234,503	\$ 3,897,690
35,099	34,133	29,432	26,076	27,342	28,613
22,162,557	25,152,465	21,261,442	15,582,180	12,145,764	11,319,335
61,864	88,137	0	5,850	50,750	325,600
\$ 26,741,428	\$ 29,618,028	\$ 25,429,956	\$ 19,795,864	\$ 16,458,359	\$ 15,571,238
\$ 2,505,477	\$ 2,520,337	\$ 2,484,568	\$ 2,369,246	\$ 2,425,845	\$ 2,404,627
2,362,623	2,365,458	1,992,219	1,823,216	1,793,501	1,675,198
\$ 4,868,100	\$ 4,885,795	\$ 4,476,787	\$ 4,192,462	\$ 4,219,346	\$ 4,079,825
\$ 31,609,528	\$ 34,503,823	\$ 29,906,743	\$ 23,988,326	\$ 20,677,705	\$ 19,651,063
\$(88,703,394)	\$(87,330,012)	\$(91,033,688)	\$(86,997,938)	\$(92,653,934)	\$(76,872,220)
259,043	323,205	140,265	33,223	270,134	122,767
\$(88,444,351)	\$(87,006,807)	\$(90,893,423)	\$(86,964,715)	\$(92,383,800)	\$(76,749,453)

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			
	2015	2014	2013	2012
Net (expenses) revenue:				
Governmental activities	\$(111,693,710)	\$(109,764,227)	\$(99,461,373)	\$(94,430,288)
Business-type activities	242,445	106,039	(20,845)	159,717
Total primary government net expense	\$(111,451,265)	\$(109,658,188)	\$(99,482,218)	\$(94,270,571)
General revenues and other changes in net position:				
Governmental activities:				
Property tax levied for general purposes	\$ 41,351,887	\$ 41,857,102	\$ 42,464,403	\$ 45,002,685
Property tax levied for capital outlay	4,346,610	3,399,452	3,297,757	3,135,590
Local option sales tax	10,038,752	8,974,360	12,190,050	11,435,526
Unrestricted state grants	54,664,713	52,932,505	50,568,860	49,804,874
Investment earnings	155,764	139,790	369,289	455,973
Miscellaneous	711,503	1,199,912	595,896	281,764
Transfers	163,677	148,252	266,651	275,196
Total governmental activities	\$ 111,432,906	\$ 108,651,373	\$ 109,752,906	\$ 110,391,608
Business-type activities:				
Investment earnings	\$ 2,256	\$ 1,807	\$ 2,582	\$ 6,034
Transfers	(163,677)	(148,252)	(273,656)	(279,628)
Total business-type activities	\$ (161,421)	\$ (146,445)	\$ (271,074)	\$ (273,594)
Change in net position:				
Governmental activities	\$ (260,804)	\$ (1,112,854)	\$ 10,291,533	\$ 15,958,320
Business-type activities	81,024	(40,406)	(291,919)	(113,877)
Total primary government	\$ (179,780)	\$ (1,153,260)	\$ 9,999,614	\$ 15,844,443

Source: District Financial Records

Table 3

Dubuque Community School District
General Revenues and Total Change in Net Position
Last Ten Fiscal Years

2011	2010	2009	2008	2007	2006
\$ (88,703,394)	\$(87,330,012)	\$(91,033,688)	\$(86,997,938)	\$(92,653,934)	\$(76,872,220)
259,043	323,205	140,265	33,223	270,134	122,767
\$ (88,444,351)	\$(87,006,807)	\$(90,893,423)	\$(86,964,715)	\$(92,383,800)	\$(76,749,453)
\$ 43,385,106	\$ 42,170,729	\$ 40,684,264	\$ 36,598,441	\$ 34,446,462	\$ 31,504,694
3,006,514	2,857,384	2,737,058	2,532,490	2,470,364	2,374,392
10,578,600	10,420,491	10,106,400	10,567,745	10,249,312	9,815,987
47,873,056	40,152,782	46,053,267	46,501,356	43,373,049	40,715,113
539,547	747,429	682,349	774,912	1,013,746	793,031
318,999	854,031	543,975	959,573	539,087	792,744
287,054	336,668	278,891	123,340	124,723	93,916
\$105,988,876	\$ 97,539,514	\$101,086,204	\$ 98,057,857	\$ 92,216,743	\$ 86,089,877
\$ 13,222	\$ 23,113	\$ 23,313	\$ 44,086	\$ 36,098	\$ 19,665
(287,054)	(336,668)	(278,891)	(126,341)	(124,723)	(93,916)
\$ (273,832)	\$ (313,555)	\$ (255,578)	\$ (82,255)	\$ (88,625)	\$ (74,251)
\$ 17,285,482	\$ 10,209,502	\$ 10,052,516	\$ 11,059,919	\$ (437,191)	\$ 9,217,657
(14,789)	9,650	(115,313)	(49,032)	181,509	48,516
\$ 17,270,693	\$ 10,219,152	\$ 9,937,203	\$ 11,010,887	\$ (255,682)	\$ 9,266,173

Table 4

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

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

	Fiscal Year			
	2015	2014	2013	2012
General Fund:				
Nonspendable	\$ 444,900	\$ 534,198	\$ 551,464	\$ 626,239
Restricted	1,324,944	1,377,816	1,463,431	1,398,368
Unassigned	12,813,922	20,055,617	26,768,208	26,932,135
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	\$14,583,766	\$21,967,631	\$28,783,103	\$28,956,742
All other governmental funds:				
Restricted	\$32,233,090	\$21,207,707	\$27,881,942	\$24,353,957
Reserved	0	0	0	0
Unreserved, reported in				
Capital projects fund	0	0	0	0
Debt service fund	0	0	0	0
Special revenue funds	0	0	0	0
Total all other governmental funds	\$32,233,090	\$21,207,707	\$27,881,942	\$24,353,957
Total all governmental funds	\$46,816,856	\$43,175,338	\$56,665,045	\$53,310,699

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

	2011	2010	2009	2008	2007	2006
	\$ 644,808	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	1,894,368	0	0	0	0	0
	16,911,942	0	0	0	0	0
	0	1,343,743	1,541,028	1,283,675	738,613	618,359
	0	7,449,116	4,393,552	(573,069)	21,603	1,174,798
	<u>\$19,451,118</u>	<u>\$ 8,792,859</u>	<u>\$ 5,934,580</u>	<u>\$ 710,606</u>	<u>\$ 760,216</u>	<u>\$ 1,793,157</u>
	\$16,354,207	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	0	8,600,545	6,947,435	7,017,199	5,339,534	4,408,492
	0	4,427,498	3,271,080	4,039,660	5,258,518	6,967,955
	0	72,864	115,299	124,370	46,382	0
	0	3,506,028	2,259,376	1,903,504	1,220,135	1,304,929
	<u>\$16,354,207</u>	<u>\$16,606,935</u>	<u>\$12,593,190</u>	<u>\$13,084,733</u>	<u>\$11,864,569</u>	<u>\$12,681,376</u>
	<u>\$35,805,325</u>	<u>\$25,399,794</u>	<u>\$18,527,770</u>	<u>\$13,795,339</u>	<u>\$12,624,785</u>	<u>\$14,474,533</u>

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Local sources:				
Local tax	\$ 44,918,498	\$ 45,256,554	\$ 57,952,211	\$ 59,573,803
Tuition	2,571,634	2,076,227	2,364,636	2,264,001
Other	4,461,057	4,403,650	4,149,932	3,237,573
Total local sources	\$ 51,951,189	\$ 51,736,431	\$ 64,466,779	\$ 65,075,377
State sources:				
State sources	\$ 81,462,443	\$ 74,879,014	\$ 62,706,583	\$ 62,040,783
Total state sources	\$ 81,462,443	\$ 74,879,014	\$ 62,706,583	\$ 62,040,783
Federal sources:				
Federal sources	\$ 6,277,627	\$ 6,323,012	\$ 6,852,735	\$ 7,729,416
Total federal sources	\$ 6,277,627	\$ 6,323,012	\$ 6,852,735	\$ 7,729,416
Total governmental funds revenue	\$139,691,259	\$132,938,457	\$134,026,097	\$134,845,576

Source: District Financial Records

Table 5

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

2011	2010	2009	2008	2007	2006
\$ 56,970,220	\$ 55,448,603	\$ 53,527,722	\$ 49,698,676	\$ 47,166,139	\$ 43,695,073
2,146,825	2,229,601	2,054,271	1,974,497	1,970,036	1,591,829
3,523,607	3,716,733	3,845,347	4,531,034	4,342,335	4,853,070
<u>\$ 62,640,652</u>	<u>\$ 61,394,937</u>	<u>\$ 59,427,340</u>	<u>\$ 56,204,207</u>	<u>\$ 53,478,510</u>	<u>\$ 50,139,972</u>
\$ 60,409,551	\$ 52,410,026	\$ 60,032,976	\$ 57,095,921	\$ 51,611,486	\$ 47,796,591
<u>\$ 60,409,551</u>	<u>\$ 52,410,026</u>	<u>\$ 60,032,976</u>	<u>\$ 57,095,921</u>	<u>\$ 51,611,486</u>	<u>\$ 47,796,591</u>
\$ 9,393,044	\$ 12,657,914	\$ 6,694,658	\$ 4,296,825	\$ 3,460,383	\$ 3,630,635
<u>\$ 9,393,044</u>	<u>\$ 12,657,914</u>	<u>\$ 6,694,658</u>	<u>\$ 4,296,825</u>	<u>\$ 3,460,383</u>	<u>\$ 3,630,635</u>
<u>\$132,443,247</u>	<u>\$126,462,877</u>	<u>\$126,154,974</u>	<u>\$117,596,953</u>	<u>\$108,550,379</u>	<u>\$101,567,198</u>

Table 6

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Local sources					
Taxes	\$ 36,607,011	\$ 35,856,044	\$ 37,460,938	\$ 43,252,276	\$ 41,381,061
Tuition	2,571,634	2,076,227	2,364,636	2,264,001	2,146,825
Transportation	54,977	50,924	38,311	39,418	35,099
Interest	65,090	71,643	79,149	154,800	212,981
Student activities	162,048	158,018	153,964	307,725	321,686
Other local revenues	1,475,115	2,236,384	1,591,477	889,746	904,610
Subtotal local revenue	\$ 40,935,875	\$ 40,449,240	\$ 41,688,475	\$ 46,907,966	\$ 45,002,262
State sources					
State foundation aid	\$ 52,004,458	\$ 49,048,080	\$ 48,166,131	\$ 47,711,831	\$ 44,937,511
Instructional support	0	0	0	0	0
AEA flowthrough	4,928,817	4,723,656	4,515,012	4,496,822	4,922,517
Other state revenue	14,326,090	12,127,823	10,020,866	9,829,379	10,546,522
Subtotal state revenue	\$ 71,259,365	\$ 65,899,559	\$ 62,702,009	\$ 62,038,032	\$ 60,406,550
Federal sources					
Title I	\$ 1,651,588	\$ 1,597,490	\$ 1,806,912	\$ 1,613,871	\$ 1,667,226
Other federal revenue	4,626,039	4,725,522	5,045,823	6,115,545	7,663,954
Subtotal federal revenue	\$ 6,277,627	\$ 6,323,012	\$ 6,852,735	\$ 7,729,416	\$ 9,331,180
Other sources	\$ 260,191	\$ 360,473	\$ 470,082	\$ 498,391	\$ 611,753
Total revenue	\$118,733,058	\$113,032,284	\$111,713,301	\$117,173,805	\$115,351,745

Source: District Financial Records

Table 6

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

2010	2009	2008	2007	2006
\$ 39,500,291	\$ 38,480,604	\$ 34,543,982	\$32,342,730	\$29,605,400
2,229,601	2,054,271	1,974,497	1,970,036	1,591,829
34,133	29,432	26,076	27,342	28,613
306,352	210,070	185,034	323,806	359,018
279,663	257,654	240,278	242,785	337,557
958,946	1,176,120	1,433,500	1,036,089	1,270,377
\$ 43,308,986	\$ 42,208,151	\$ 38,403,367	\$35,942,788	\$33,192,794
\$ 37,662,216	\$ 45,392,552	\$ 45,809,960	\$42,708,273	\$40,133,528
0	174,406	182,466	183,625	185,665
4,802,377	4,321,171	4,106,863	3,803,870	3,532,385
9,941,876	10,141,446	6,993,167	4,912,063	3,941,314
\$ 52,406,469	\$ 60,029,575	\$ 57,092,456	\$51,607,831	\$47,792,892
\$ 1,685,273	\$ 1,665,591	\$ 1,630,564	\$ 1,347,870	\$ 1,187,939
10,884,504	5,029,067	2,666,262	2,112,513	2,442,696
\$ 12,569,777	\$ 6,694,658	\$ 4,296,826	\$ 3,460,383	\$ 3,630,635
\$ 406,526	\$ 407,252	\$ 238,586	\$ 199,506	\$ 125,987
\$108,691,758	\$109,339,636	\$100,031,235	\$91,210,508	\$84,742,308

Table 7

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

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Instruction	\$ 89,159,987	\$ 83,822,176	\$ 77,794,350	\$ 76,101,088
Student services	6,655,077	6,305,561	5,492,706	5,252,695
Instructional staff services	5,788,283	5,750,601	4,602,493	3,984,983
Administration services	13,506,629	12,725,816	12,389,626	12,341,464
Operation and maintenance of plant services	10,785,417	9,599,256	9,057,962	8,702,928
Transportation services	4,724,879	5,612,731	4,277,877	4,120,582
Non-instructional services	188,357	156,327	364,825	135,718
Facilities acquisition	14,428,903	25,750,982	14,520,178	4,919,944
Debt service:				
Principal	1,130,000	4,850,000	7,600,000	7,200,000
Interest	680,952	354,007	341,075	412,250
AEA flowthrough	4,928,817	4,723,656	4,515,012	4,496,822
Other	293,111	116,998	166,710	143,819
Total expenditures	\$152,270,412	\$159,768,111	\$141,122,814	\$127,812,293
Debt service as a percentage of noncapital expenditures	1.31%	3.88%	6.27%	6.19%

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

2011	2010	2009	2008	2007	2006
\$ 73,454,458	\$ 74,290,782	\$ 73,729,323	\$ 68,869,827	\$ 63,243,308	\$ 59,013,311
5,034,660	5,053,316	5,093,057	4,893,096	4,422,022	4,285,632
3,566,495	3,422,804	3,552,175	3,755,466	3,615,550	4,135,111
12,875,379	10,602,780	10,349,190	10,428,962	10,120,152	9,499,497
8,406,122	8,554,178	8,958,199	9,118,255	8,564,905	8,312,753
4,003,962	3,465,091	3,019,418	3,145,333	3,729,525	3,364,702
155,648	306,817	93,675	143,549	133,012	166,235
1,471,553	3,547,438	3,718,729	6,024,792	18,839,199	21,353,125
8,710,000	33,299,833	7,466,208	4,496,208	1,036,209	101,208
523,617	1,007,098	1,482,355	1,675,126	1,542,704	1,236,956
4,922,517	4,802,377	4,321,171	4,106,863	3,803,870	3,532,385
1,037	316,635	229	25,690	105,796	26,248
\$123,125,448	\$148,669,149	\$121,783,729	\$116,683,167	\$119,156,252	\$115,027,163
7.59%	23.6%	7.58%	5.58%	2.57%	1.43%

Table 8

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

(modified basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Instruction:				
Regular	\$ 46,700,801	\$ 43,124,337	\$ 40,706,822	\$ 39,611,990
Special	26,048,304	24,657,319	23,348,053	22,048,080
Other	12,131,570	11,673,565	10,997,304	11,261,238
Total Instruction	\$ 84,880,675	\$ 79,455,221	\$ 75,052,179	\$ 72,921,308
Student Support Services:				
Attendance and social work	\$ 950,365	\$ 692,378	\$ 375,815	\$ 257,588
Guidance services	3,090,367	3,087,135	2,781,619	2,700,544
Health and psychological services	1,961,395	1,876,211	1,911,961	1,836,573
Speech, pathology, & audiology	442,247	428,960	379,621	369,530
Total Student Support Services	\$ 6,444,374	\$ 6,084,684	\$ 5,449,016	\$ 5,164,235
Staff Instruction Services:				
Improvement of instruction	\$ 2,597,937	\$ 2,201,148	\$ 2,066,467	\$ 1,596,748
Library media	2,487,240	2,261,003	2,097,142	2,069,525
Instruction-related technology	452,258	1,208,510	341,021	214,859
Academic student assessment	148,019	0	0	0
Total Staff Instruction Services	\$ 5,685,454	\$ 5,670,661	\$ 4,504,630	\$ 3,881,132
General Administration Services:				
Board of education	\$ 104,151	\$ 118,695	\$ 92,664	\$ 183,228
Executive administration	1,450,997	1,482,745	1,387,549	1,177,114
Special area administration	172,077	192,153	180,334	173,551
Total General Administration Services	\$ 1,727,225	\$ 1,793,593	\$ 1,660,547	\$ 1,533,893
School Administration Services	\$ 6,268,992	\$ 6,223,048	\$ 5,864,477	\$ 5,634,449
Business & Central Services:				
Business administration fiscal	\$ 1,245,087	\$ 1,358,567	\$ 1,201,038	\$ 1,180,505
Printing, publishing, & duplicating	210,811	235,921	186,296	229,022
Public information	223,791	105,486	60,315	126,079
Personnel	219,258	217,727	195,659	219,393
Administrative technology	1,249,120	1,238,257	1,174,492	975,394
Total Business & Central Services	\$ 3,148,067	\$ 3,155,958	\$ 2,817,800	\$ 2,730,393
Operation and Maintenance of Plant	\$ 9,319,185	\$ 8,962,416	\$ 8,325,758	\$ 8,072,928
Student Transportation	\$ 3,714,134	\$ 3,778,519	\$ 3,425,265	\$ 3,171,242
Community Service Operations	\$ 0	\$ 0	\$ 265,000	\$ 54,900
Funds Transfer	\$ 0	\$ 0	\$ 7,256	\$ 6,877
AEA Flowthrough	\$ 4,928,817	\$ 4,723,656	\$ 4,515,012	\$ 4,496,822
Total expenditures	\$126,116,923	\$119,847,756	\$111,886,940	\$107,668,179
Percentage Increase (Decrease)	5.23%	7.12%	3.92%	2.84%

Source: District Financial Records

Table 8

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

2011	2010	2009	2008	2007	2006
\$ 38,569,286	\$ 39,316,368	\$ 40,417,644	\$ 38,358,714	\$35,059,099	\$33,274,986
21,514,318	22,216,791	22,579,460	19,516,753	17,742,545	16,891,696
10,389,358	9,951,775	7,303,035	8,210,378	7,396,413	6,345,494
\$ 70,472,962	\$ 71,484,934	\$ 70,300,139	\$ 66,085,845	\$60,198,057	\$56,512,176
\$ 245,310	\$ 242,555	\$ 216,417	\$ 213,433	\$ 183,463	\$ 147,791
2,588,620	2,506,763	2,628,026	2,583,096	2,414,892	2,374,275
1,854,693	2,003,904	1,952,039	1,802,329	1,549,048	1,494,243
258,457	253,437	248,044	252,735	199,376	225,371
\$ 4,947,080	\$ 5,006,659	\$ 5,044,526	\$ 4,851,593	\$ 4,346,779	\$ 4,241,680
\$ 1,564,958	\$ 1,312,805	\$ 1,502,253	\$ 1,743,510	\$ 1,617,242	\$ 1,280,695
1,930,039	2,026,201	1,961,782	1,936,232	1,940,853	1,886,064
3,713	3,381	5,285	349	3,693	494,209
0	0	0	0	0	0
\$ 3,498,710	\$ 3,342,387	\$ 3,469,320	\$ 3,680,091	\$ 3,561,788	\$ 3,660,968
\$ 123,341	\$ 111,715	\$ 152,068	\$ 116,152	\$ 113,031	\$ 101,427
1,069,273	1,110,061	1,039,931	929,460	865,829	824,070
311,894	466,575	395,637	342,743	321,244	353,238
\$ 1,504,508	\$ 1,688,351	\$ 1,587,636	\$ 1,388,355	\$ 1,300,104	\$ 1,278,735
\$ 5,416,059	\$ 5,507,383	\$ 5,529,464	\$ 5,600,024	\$ 5,296,832	\$ 4,894,650
\$ 1,188,291	\$ 1,110,037	\$ 1,091,848	\$ 1,187,387	\$ 1,140,121	\$ 1,058,216
371,377	297,494	306,609	415,914	432,423	401,308
110,362	107,253	107,409	151,130	125,116	130,467
217,204	201,459	188,015	189,884	179,552	174,671
1,128,712	1,203,563	1,159,867	1,109,396	1,177,286	1,119,177
\$ 3,015,946	\$ 2,919,806	\$ 2,853,748	\$ 3,053,711	\$ 3,054,498	\$ 2,883,839
\$ 7,650,801	\$ 8,018,101	\$ 8,243,558	\$ 8,322,151	\$ 7,899,172	\$ 7,496,659
\$ 3,171,723	\$ 2,811,825	\$ 2,741,183	\$ 2,897,710	\$ 2,707,252	\$ 2,842,768
\$ 91,329	\$ 247,508	\$ 15,269	\$ 88,352	\$ 74,089	\$ 101,085
\$ 1,851	\$ 4,148	\$ 9,648	\$ 6,150	\$ 1,008	\$ 0
\$ 4,922,517	\$ 4,802,377	\$ 4,321,171	\$ 4,106,863	\$ 3,803,870	\$ 3,532,385
\$104,693,486	\$105,833,479	\$104,115,662	\$100,080,845	\$92,243,449	\$87,444,945
(1.08%)	1.65%	4.03%	8.50%	5.49%	12.06%

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			
	2015	2014	2013	2012
Excess of revenues over (under) expenditures	\$(12,579,153)	\$(26,829,654)	\$(7,096,717)	\$ 7,033,283
Other financing sources (uses):				
Sales of property and equipment	\$ 96,994	\$ 158,695	\$ 106,031	\$ 146,553
Operating transfers in	4,217,872	3,908,856	8,469,539	9,250,938
Operating transfers out	(4,054,195)	(3,760,604)	(8,195,883)	(8,975,742)
Revenue bonds net proceeds	15,960,000	13,033,000	10,071,376	10,050,343
Total other financing sources (uses)	\$ 16,220,671	\$ 13,339,947	\$10,451,063	\$10,472,092
Net change in fund balance	\$ 3,641,518	\$(13,489,707)	\$ 3,354,346	\$17,505,375

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

2011	2010	2009	2008	2007	2006
\$ 9,317,799	\$(22,206,272)	\$4,371,245	\$ 913,786	\$(10,605,873)	\$(13,459,965)
\$ 800,677	\$ 23,631	\$ 82,295	\$ 133,428	\$ 65,016	\$ 7,206
9,234,683	12,321,591	8,936,054	7,776,538	3,405,251	4,878,923
(8,947,627)	(11,984,923)	(8,657,163)	(7,653,198)	(3,280,527)	(4,785,007)
0	28,717,997	0	0	8,566,385	9,871,290
\$ 1,087,733	\$ 29,078,296	\$ 361,186	\$ 256,768	\$ 8,756,125	\$ 9,972,412
\$10,405,532	\$ 6,872,024	\$4,732,431	\$ 1,170,554	\$ (1,849,748)	\$ (3,487,553)

Table 10

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

(Unaudited)

Tax Levy Year	Fiscal Year	Actual Value					Less Exemptions	Total Taxable Value	Total Direct Rate (*)
		Residential Property	Commercial Property	Other Property	Total Property				
2013	2014-15	\$3,735,243,695	\$1,223,371,310	\$635,758,386	\$5,594,373,391	\$2,024,655,305	\$3,569,718,086	\$13.99630	
2012	2013-14	\$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	
2011	2012-13	\$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	
2010	2011-12	\$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	
2009	2010-11	\$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	
2008	2009-10	\$3,270,589,555	\$ 955,990,303	\$372,478,777	\$4,599,058,635	\$1,865,471,659	\$2,733,586,976	\$16.88112	
2007	2008-09	\$2,853,522,831	\$ 900,890,827	\$365,894,560	\$4,120,308,218	\$1,592,339,503	\$2,527,968,715	\$16.40925	
2006	2007-08	\$2,754,856,383	\$ 871,632,936	\$365,846,895	\$3,992,336,214	\$1,524,149,772	\$2,468,186,442	\$15.92538	
2005	2006-07	\$2,673,314,363	\$ 767,458,864	\$354,344,941	\$3,795,118,168	\$1,418,056,181	\$2,377,061,987	\$15.09695	
2004	2005-06	\$2,470,390,147	\$ 783,228,104	\$339,583,016	\$3,593,201,267	\$1,296,814,972	\$2,296,386,295	\$14.27491	

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

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

* Per \$ 1,000 of taxable value.

Table 11

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

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

Levy Year	Fiscal Year Ended June 30,	District Direct Rates				Overlapping Rates				
		General Purposes	Capital Purposes	Management Purposes	Total	County	Community College	Board of Education and Independents	City of Dubuque	City of Asbury
2013	2015	\$11.48470	\$1.00000	\$1.51160	\$13.99630	\$6.43124	\$0.90807	\$0.67315	\$11.02588	\$10.30200
2012	2014	\$11.62865	\$1.00000	\$1.97416	\$14.60281	\$6.43124	\$0.90455	\$0.77468	\$11.02586	\$10.29932
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

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

Table 12

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

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

Taxpayer	2015 (1)			2006 (2)		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Peninsula Gaming Company LLC	\$ 63,779	1	1.78%			
Kennedy Mall	39,659	2	1.10%	\$ 23,834	1	0.89%
Deere & Co.	36,073	3	1.00%			
Progressive Processing LLC	25,365	4	0.71%			
Medical Associates Realty	21,598	5	0.60%	17,880	2	0.67%
Nordstrom, Inc.	17,427	6	0.49%	16,723	4	0.62%
Walter Development	16,464	7	0.46%			
McGraw Hill	16,225	8	0.45%			
Platinum Holdings	15,749	9	0.44%	10,162	6	0.38%
Flexsteel Industries	13,332	10	0.37%			
Otto A LLC				17,500	3	0.65%
American Trust & Savings Bank				10,531	5	0.39%
Lexington Dubuque				9,815	7	0.37%
Asbury Dubuque				9,095	9	0.34%
Minglewood Limited Partnership				9,043	10	0.34%
US West Communications				9,401	8	0.35%
Total	<u>\$265,671</u>		<u>7.40%</u>	<u>\$133,984</u>		<u>5.00%</u>

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

Table 13

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

(Unaudited)

Collection Fiscal Year Ending	Levy Fiscal Year Ending	Total Tax Levy	Collected in Fiscal Year		Collections of Delinquent Taxes	Total Collections to Date	
			Amount	Percentage of Levy		Total Amount Collected	Percentage of Levy
2014-2015	2013	\$45,011,938	\$44,895,410	99.74%	\$23,088	\$44,918,498	99.79%
2013-2014	2012	\$45,250,137	\$45,235,328	99.97%	\$21,226	\$45,256,554	100.01%
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%

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)

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	ISCAP Warrants Payable	Notes Payable	General Obligation Bonds	Sales Tax Revenue Bonds				
2015	\$ 0	\$ 0	\$ 0	\$47,863,000	\$ 0	\$47,863,000	1.2131%	\$500
2014	\$ 0	\$ 0	\$ 0	\$33,033,000	\$ 0	\$33,033,000	0.8604%	\$347
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

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, 2015

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
City of Asbury	\$12,168,145	100.00%	\$ 12,168,145
City of Dubuque	210,798,058	100.00%	210,798,058
Dubuque County	5,552,668	77.57%	4,307,205
Northeast Iowa Community College	47,270,000	77.65%	<u>36,705,155</u>
Subtotal, overlapping debt			\$263,978,563
District direct debt			<u>47,863,000</u>
Total direct and overlapping debt			<u>\$311,841,563</u>

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

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

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

Dubuque Community School District
Legal Debt Margin Information
Last Ten Years

(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Debt Limit	\$178,485,904	\$169,974,622	\$164,798,110	\$156,799,306
Gross debt applicable to limit	\$ 47,863,000	\$ 33,033,000	\$ 24,850,000	\$ 22,450,000
Reserves for payments on debt	(5,453,733)	(3,187,807)	(7,004,837)	(6,911,747)
Total net debt applicable to limit	<u>\$ 42,409,267</u>	<u>\$ 29,845,193</u>	<u>\$ 17,845,163</u>	<u>\$ 15,538,253</u>
Legal debt margin	<u>\$136,076,637</u>	<u>\$140,129,429</u>	<u>\$146,952,947</u>	<u>\$141,261,053</u>
Total net debt applicable to the limit as a percentage of debt limit	23.8%	17.6%	10.8%	9.9%

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 2015

Actual taxable value (a)	\$3,569,718,086
Debt limit (5% of assessed value) (b)	178,485,904
Debt applicable to limit	<u>42,409,267</u>
Legal debt margin	<u>\$ 136,076,637</u>

Table 16

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

2011	2010	2009	2008	2007	2006
\$150,137,044	\$143,129,676	\$136,679,349	\$126,398,436	\$123,409,322	\$118,853,099
\$ 19,650,000	\$ 28,360,000	\$ 33,299,833	\$ 40,766,042	\$ 45,262,250	\$ 37,708,458
(5,704,327)	(7,875,854)	(6,209,000)	(6,209,000)	(4,559,000)	(3,700,000)
\$ 13,945,673	\$ 20,484,146	\$ 27,090,833	\$ 34,557,042	\$ 40,703,250	\$ 34,008,458
\$136,191,371	\$122,645,530	\$109,588,516	\$ 91,841,394	\$ 82,706,072	\$ 84,844,641
9.3%	14.3%	19.8%	27.3%	33.0%	28.6%

Table 17

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

(Unaudited)

Fiscal Year	Actual Sales Tax Revenue	Debt Service			Estimated Debt Service and Coverage on the Bonds (without Revenue Growth)			Estimated Debt Service and Coverage on the Bonds (with Revenue Growth)		
		Principal	Interest	Coverage	Estimated Collection	Debt Service Combined P & I	Estimated Coverage	Estimated Collection	Debt Service Combined P & I	Estimated Coverage
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	1.15						
2012	\$11,435,526	\$7,200,000	\$ 412,250	1.50						
2013	\$12,190,050	\$7,600,000	\$ 341,075	1.54						
2014	\$ 8,974,360	\$4,850,000	\$ 354,007	1.72						
2015	\$10,038,752	\$1,130,000	\$ 680,953	5.54						
2016					\$10,020,749	\$3,289,247	3.05	\$10,020,749	\$3,289,247	3.05
2017					\$ 9,918,781	\$3,271,135	3.03	\$10,078,575	\$3,271,135	3.08
2018					\$ 9,783,847	\$4,256,797	2.30	\$10,143,798	\$4,256,797	2.38
2019					\$ 9,783,847	\$4,206,096	2.33	\$10,346,674	\$4,206,096	2.46
2020					\$ 9,783,847	\$4,058,988	2.41	\$10,553,608	\$4,058,988	2.60
2021					\$ 9,783,847	\$4,021,353	2.43	\$10,764,680	\$4,021,353	2.68
2022					\$ 9,783,847	\$3,985,388	2.45	\$10,979,974	\$3,985,388	2.76
2023					\$ 9,783,847	\$3,016,200	3.24	\$11,199,573	\$3,016,200	3.71
2024					\$ 9,783,847	\$2,605,255	3.76	\$11,423,564	\$2,605,255	4.38
2025					\$ 9,783,847	\$2,571,738	3.80	\$11,652,036	\$2,571,738	4.53
2026					\$ 9,783,847	\$2,536,578	3.86	\$11,885,076	\$2,536,578	4.69
2027					\$ 9,783,847	\$2,499,715	3.91	\$12,122,778	\$2,499,715	4.85
2028					\$ 9,783,847	\$7,866,435	1.24	\$12,365,234	\$7,866,435	1.57
2029					\$ 9,783,847	\$7,866,050	1.24	\$12,612,538	\$7,866,050	1.60
2030					\$ 5,136,520	\$3,896,275	1.32	\$ 6,728,950	\$3,896,275	1.73

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)
2015	95,697	\$3,945,492,000	\$41,229	N/A	10,633.7
2014	95,097	\$3,839,185,000	\$40,371	4.3%	10,578.6
2013	94,648	\$3,680,443,000	\$38,886	4.5%	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

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 Nine Years Ago

(Unaudited)

Taxpayer	2015 (1)			2006 (2)		
	# of Employees	Rank	Percentage of Total Employment	# of Employees	Rank	Percentage of Total Employment
John Deere	2,400	1	4.52%	1,900	1	3.35%
Dubuque Community Schools	1,946	2	3.66%	1,410	2	2.49%
Mercy Medical Center	1,313	3	2.47%	1,324	3	2.33%
Medical Associates Clinic, P.C.	1,027	4	1.93%	998	5	1.76%
Unity Point Health - Finley Hospital	859	5	1.62%	920	7	1.62%
City of Dubuque	695	6	1.31%	716	10	1.26%
Eagle Window & Door	660	7	1.24%	950	6	1.68%
IBM, Corp.	625	8	1.18%			
Sedgwick	550	9	1.04%			
Diamond Jo Casino	510	10	0.96%			
McCoy Group (3)				1,200	4	2.12%
Heartland Financial				760	8	1.34%
Flexsteel				750	9	1.32%
Total	10,585		19.93%	10,928		19.27%

Sources:

(1) Greater Dubuque Development Corp.

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

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

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

(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
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	18.00	18.00
Assistant principals	13.00	13.00	13.00	13.00
All other administrators	9.00	9.00	9.00	6.00
Total supervisory	42.00	42.00	42.00	39.00
Instruction:				
Teachers - regular program	659.61	629.95	623.14	604.40
Teachers - special education program	194.50	173.83	163.11	153.00
Paraeducators - regular program	88.50	78.26	84.34	82.23
Paraeducators - special education program	263.70	258.81	250.77	259.71
Total instruction	1,206.31	1,140.85	1,121.36	1,099.34
Student services:				
Guidance counselors	33.00	31.00	30.00	30.00
Nurses	15.60	16.60	17.20	16.20
Media specialists	26.00	24.50	24.00	18.50
Other student services staff	25.00	20.00	14.00	12.00
Total student services	99.60	92.10	85.20	76.70
Support and administration:				
Clerical/secretarial	80.00	77.75	76.75	77.75
Custodial and maintenance	101.00	99.00	98.00	98.00
Food service	80.95	81.95	82.64	80.48
Bus drivers, attendants, truckers, mechanics	76.25	78.38	76.30	68.95
Other support services staff	14.00	14.00	14.00	11.50
Total support and administration	352.20	351.09	347.69	336.68
District Totals	1,700.11	1,626.03	1,596.25	1,551.72

Source: *District Payroll Records*

In 2014, mechanics were included with bus drivers, attendants and truckers not custodial and maintenance.

Table 20

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

2011	2010	2009	2008	2007	2006
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
18.50	19.50	19.50	19.50	19.00	19.00
12.00	11.00	14.00	14.00	15.00	13.00
7.50	10.50	11.50	13.25	13.75	15.00
40.00	43.00	47.00	48.75	49.75	49.00
590.53	638.87	639.09	675.16	654.68	636.07
159.77	171.96	174.36	170.00	161.50	156.80
75.57	53.82	54.38	56.51	56.66	53.91
244.01	260.71	270.88	231.90	226.66	215.66
1,069.88	1,125.36	1,138.71	1,133.57	1,099.50	1,062.44
31.00	30.00	31.00	34.00	33.00	33.00
18.20	21.40	21.40	21.40	19.40	19.40
19.90	21.20	21.20	21.19	20.69	20.00
9.00	9.00	9.00	10.00	10.00	9.28
78.10	81.60	82.60	86.59	83.09	81.68
79.00	79.88	85.57	85.44	86.44	83.88
103.00	111.00	112.00	118.00	114.00	114.00
78.39	78.25	78.58	77.51	75.32	74.46
61.66	60.37	62.70	62.27	59.71	60.47
12.50	12.50	11.00	11.00	11.00	11.00
334.55	342.00	349.85	354.22	346.47	343.81
1,522.53	1,591.96	1,618.16	1,623.13	1,578.81	1,536.93

Table 21

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

(Unaudited)

Fiscal Year	Enrollment	General Fund Expenditures	Cost Per Pupil	Percentage Change	Total Governmental Activities Expenses	Cost Per Pupil	Percentage Change	FTE Teaching Staff	Pupil-Teacher Ratio	% of Students Receiving Free or Reduced-Priced Meals
2015	10,634	\$126,116,923	\$11,860	4.69%	\$140,115,740	\$13,176	2.19%	854.11	12.45	39.36%
2014	10,579	\$119,847,755	\$11,329	6.45%	\$136,390,090	\$12,893	9.24%	803.78	13.16	39.27%
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%

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

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Elementary:				
Audubon (1973)				
Square feet	37,992	37,992	37,992	37,992
Capacity	336	336	336	336
Enrollment	314	290	259	290
Bryant (1940)				
Square feet	30,724	30,724	30,724	30,724
Capacity	263	263	263	263
Enrollment	263	266	284	303
Carver (2007)				
Square feet	69,902	69,902	66,202	66,202
Capacity	574	574	524	524
Enrollment	586	587	575	580
Eisenhower (1970)				
Square feet	63,455	63,455	63,455	63,455
Capacity	460	460	460	460
Enrollment	532	547	525	523
Fulton (1939)				
Square feet	35,098	35,098	35,098	35,098
Capacity	264	264	264	264
Enrollment	284	287	283	285
Hoover (1970)				
Square feet	28,663	28,663	28,663	28,663
Capacity	231	231	231	231
Enrollment	324	317	282	246

Source: *District Records*

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

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2011	2010	2009	2008	2007	2006
37,992	37,992	37,992	37,992	37,992	37,992
336	336	390	390	390	390
259	309	284	292	344	337
30,724	30,724	30,724	30,724	30,724	30,724
263	263	390	390	390	390
316	315	321	330	317	309
66,202	66,202	66,202	66,202	N/A	N/A
524	524	624	624	N/A	N/A
562	497	435	416	N/A	N/A
63,455	63,455	63,455	63,455	63,455	63,455
460	460	624	624	624	624
547	557	547	527	581	589
35,098	35,098	35,098	35,098	35,098	35,098
264	264	312	312	312	312
274	271	215	252	265	195
28,663	28,663	28,663	28,663	28,663	28,663
231	231	312	312	312	312
258	278	281	283	336	318

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Elementary:				
Irving (1951)				
Square feet	79,064	79,064	79,064	79,064
Capacity	492	492	492	492
Enrollment	532	562	537	540
Kennedy (1965)				
Square feet	69,353	52,953	52,953	52,953
Capacity	691	491	491	491
Enrollment	592	560	537	542
Lincoln (1940)				
Square feet	37,692	37,692	37,692	37,692
Capacity	296	296	296	296
Enrollment	273	290	314	292
Marshall (1939)				
Square feet	33,956	33,956	33,956	33,956
Capacity	248	248	248	248
Enrollment	301	319	308	279
Prescott (Demolished and Rebuilt 2006)				
Square feet	65,836	65,836	65,836	65,836
Capacity	375	375	375	375
Enrollment	270	281	302	287
Sageville (1956)				
Square feet	42,237	42,237	42,237	41,612
Capacity	299	299	299	299
Enrollment	284	282	281	280
Table Mound (1960)				
Square feet	51,758	51,758	51,758	51,758
Capacity	370	370	370	370
Enrollment	442	467	446	410

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2011	2010	2009	2008	2007	2006
79,064	79,064	79,064	59,755	47,655	47,655
492	492	624	624	624	624
525	494	477	492	519	535
52,953	52,953	52,953	52,953	52,953	52,953
491	491	624	624	624	624
511	508	491	481	662	613
37,692	37,692	37,692	37,692	37,692	37,692
296	296	390	390	390	390
286	374	336	320	333	300
33,956	33,956	33,956	33,956	33,956	33,956
248	248	312	312	312	312
249	263	267	253	282	286
65,836	65,836	65,836	65,836	65,836	30,547
375	375	312	312	312	312
298	266	265	272	246	273
41,612	41,612	41,612	41,612	41,612	41,612
299	299	390	390	390	390
278	281	313	320	327	302
51,758	51,758	51,758	51,758	51,758	51,758
370	370	546	546	546	546
422	435	449	464	400	397

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
Middle Schools:				
Jefferson (1922)				
Square feet	89,948	89,948	89,948	89,948
Capacity	620	620	620	620
Enrollment	594	569	594	567
Roosevelt (2005)				
Square feet	206,000	206,000	206,000	206,000
Capacity	1,050	1,050	1,050	1,050
Enrollment	1,157	1,106	1,132	1,127
Washington (1920)				
Square feet	98,330	98,330	92,830	92,830
Capacity	657	657	657	657
Enrollment	681	668	672	671
High Schools:				
Alta Vista Campus (1963)				
Square feet	27,177	27,177	26,427	26,427
Capacity	150	150	150	150
Enrollment	0	0	0	0
Hempstead (1970)				
Square feet	261,268	261,268	261,268	261,268
Capacity	1,657	1,657	1,657	1,657
Enrollment	1,653	1,643	1,614	1,681
Senior (1920)				
Square feet	286,611	286,611	286,611	286,611
Capacity	1,657	1,657	1,657	1,657
Enrollment	1,618	1,635	1,618	1,593

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

The Alta Vista Campus is an alternative learning program for grades 8-12. It was a preschool from 2005-2006 through the 2010-2011 school year.

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2011	2010	2009	2008	2007	2006
89,948	89,948	89,948	89,948	89,948	89,948
620	620	775	775	775	775
583	600	616	607	654	720
206,000	206,000	206,000	206,000	206,000	206,000
1,050	1,050	1,400	1,400	1,400	1,400
1,162	1,104	1,113	1,163	1,146	1,107
92,830	92,830	92,830	92,830	92,830	92,830
657	657	775	775	775	775
637	642	639	692	682	724
26,427	26,427	26,427	26,427	26,427	26,427
68	68	184	184	184	184
51	61	71	155	164	126
261,268	261,268	261,268	261,268	258,988	256,112
1,657	1,657	1,920	1,920	1,920	1,920
1,756	1,727	1,823	1,829	1,797	1,718
286,611	286,611	286,611	286,611	286,611	286,611
1,657	1,657	1,920	1,920	1,920	1,920
1,542	1,516	1,468	1,459	1,563	1,583

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2015	2014	2013	2012
High Schools: (continued)				
Central Alternative (1906)				
Square feet	---	---	---	---
Capacity	---	---	---	---
Enrollment	---	---	---	---
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

Note: Central Alternative school building was sold in November of 2010.

Table 22

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

2011	2010	2009	2008	2007	2006
---	89,948	89,948	89,948	89,948	89,948
---	620	775	775	775	775
---	600	616	607	654	720
24,959	24,959	24,959	24,959	24,959	24,959
33,000	33,000	30,000	30,000	30,000	30,000
11,020	11,020	11,020	11,020	11,020	11,020
13,680	13,680	13,680	13,680	13,680	13,680
5,000	5,000	5,000	5,000	5,000	5,000

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

(Unaudited)

School Year	Minimum	Maximum	Average
2014 - 2015	\$29,117	\$71,161	\$44,438
2013 - 2014	\$28,192	\$69,020	\$43,335
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

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, 2015

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	FY15	<u>\$ 165,172</u>
Indirect:			
U.S. Department of Agriculture: Iowa Department of Education: Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY15	\$ 319,890
National School Lunch Program	10.555	FY15	2,304,544 *
Summer Food Service Program for Children	10.559	FY 15	<u>19,718</u>
			<u>\$2,644,152</u>
Team Nutrition Grant	10.574	FY15	<u>\$ 384</u>
Fresh Fruit and Vegetable Program	10.582	FY15	<u>\$ 74,848</u>
U.S. Department of Education: Iowa Department of Education: Title I Grants to LEA	84.010	FY15	<u>\$1,651,588</u>
Vocational Education – Basic Grants to States	84.048	FY15	<u>\$ 131,563</u>
Rehabilitation Services – Vocational Rehabilitation Grants to States	84.126	FY15	<u>\$ 25,643</u>
Safe and Drug-free Schools and Communities – National Programs	84.184	FY15	<u>\$ 138,643</u>
Education for Homeless Children and Youth	84.196	FY15	<u>\$ 35,000</u>
Twenty-first Century Community Learning Centers	84.287	FY15	<u>\$ 150,000</u>
Advanced Placement Program	84.330	FY15	<u>\$ 2,984</u>
Improving Teacher Quality Grants	84.367	FY15	<u>\$ 365,834</u>
Grants for State Assessments and Related Activities	84.369	FY15	<u>\$ 52,350</u>
Developmental Disabilities Projects of National Significance	93.631	FY15	<u>\$ 12,253</u>
Keystone Area Education Agency: Special Education – Grants to States	84.027	FY15	<u>\$ 574,679</u>
English Language Acquisition Grants	84.365	FY15	<u>\$ 5,256</u>
Total			<u>\$6,030,349</u>

* Includes \$366,314 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, 2015

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, 2014. 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, 2015

<u>Findings</u>	<u>Status</u>	<u>Corrective Action Plan or Other Explanation</u>
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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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, 2015, 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 December 14, 2015.

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, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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
December 14, 2015

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, 2015. 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, 2015.

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.

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
December 14, 2015

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified 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 unmodified 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) CFDA Number 84.010 - Title I Grants to Local Educational Agencies
 - 2) CFDA Number 84.367 – Improving Teacher Quality 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.

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.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

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

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Part IV: Other Findings Related to Statutory Reporting:

IV-A-15 Certified Budget - Expenditures for the year ended June 30, 2015, exceeded the amended certified budget amounts in the instruction and support services functions.

Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion – Response accepted.

IV-B-15 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-15 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-15 Business Transactions - No business transactions between the District and District officials or employees were noted.

IV-E-15 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-15 Board Minutes - We noted no transaction requiring Board approval which had not been approved by the Board.

IV-G-15 Certified Enrollment – 3.66 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.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

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

- IV-H-15 Supplementary Weighting - No variances regarding supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-15 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-15 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.
- IV-K-15 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- IV-L-15 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, 2015, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 5,771,286
Revenues/transfers in:		
Statewide sales, services and use tax	\$10,038,752	
Other local revenue	136,551	
Investment income	20,194	
Revenue bonds issued	<u>15,960,000</u>	\$26,155,497
Expenditures/transfers out:		
School infrastructure:		
Construction	\$12,550,018	
Equipment	2,345,719	
Other	414,273	
Transfers to other funds	<u>4,041,360</u>	<u>\$19,351,370</u>
Ending balance		<u>\$12,575,413</u>

For the year ended June 30, 2015, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

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

IV-M-15 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.