

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the

SIOUX CITY COMMUNITY SCHOOL DISTRICT
Sioux City, Iowa

For the Fiscal Year Ended June 30, 2015

OFFICIAL ISSUING REPORT

Dr. Chalstrom, John

CFO

OFFICE ISSUING REPORT

Business Office

SIoux CITY COMMUNITY SCHOOL DISTRICT

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SIOUX CITY COMMUNITY SCHOOL DISTRICT

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December 18, 2015

President Krysl, Members of the Board of
Education and Residents of the Sioux City
Community School District
Sioux City, Iowa

The Comprehensive Annual Financial Report for the Sioux City Community School District for the fiscal year ended June 30, 2015 is submitted to you. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada. 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 set forth the financial position and results of operations of the District, as measured by the financial activity of the various funds; that all disclosures necessary to enable the reader to gain a comprehensive understanding of the District's financial activity have been included; and the information provided is complete and accurate in all material respects.

The financial statements and schedules presented in this Comprehensive Annual Financial Report (CAFR) include all the funds of the District in accordance with standards set by the Governmental Accounting Standards Board (GASB).

The report presents the financial information of the District accurately and concisely. It is designed to be comprehensive yet easily readable and accessible.

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

Introductory Section - This section includes this transmittal letter, the District's organizational chart, a list of principal officers, a Certificate of Excellence in Financial Reporting from the Association of School Business Officials International and a Certificate of Achievement for Excellence in Finance Reporting from the Government Finance Officers Association of the United States and Canada.

Financial Section - This section includes the independent auditors' report, the basic financial statements, Management's Discussion and Analysis, and required supplementary information. The Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis.

Statistical Section - This section includes selected financial and demographic data 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 Comprehensive Annual Financial Report 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 for review for the Certificate of Excellence in Financial Reporting and to the Government Finance Officers Association of the United States and Canada for their Certificate of Achievement for Excellence in Financial Reporting.

Reporting Entity and its Services

The Sioux City Community School District was organized in March of 1869. The District is supported financially by legislatively appropriated state aid, property taxes, statewide sales, service and use tax, income surtaxes, state and federal grants for special projects and local revenue in the form of tuition and other miscellaneous income items. The District is governed by a seven member board of education. Effective with the September 2009 election, school board members will be elected to four year terms and elections will be held only in odd-numbered years, as opposed to the annual elections held under previous law. All board members are elected at large.

The District provides a full range of educational services for residents of the Sioux City 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 2015 (the official count date) was 14,615 students.

The financial statements include all funds, agencies, board and commissions. The District has also considered all actual and potential component units for which it is financial accountable and all other organizations where the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading. The criteria considered in determining financial accountability of any entity to the District include appointing a voting majority of an organizations 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 burdens on the District. The Sioux City 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, King, Reinsch, Prosser & Co., L.L.P.

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.

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 Proprietary Funds in accordance with provisions outlined in the statutes of the State of Iowa. The budgets and financial statements for the governmental types are prepared on a modified accrual basis and the budget and financial statements for the proprietary funds are prepared on the accrual basis. A statement comparing the 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 are 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 types.

Major Initiatives and Achievements

Beginning in 1994, a group of citizens, working with the School Board, began a systematic assessment of facilities. No major upgrades had occurred since 1972. In 1998 local voters approved a one-cent local option sales and service tax for school infrastructure. This tax was renewed in August of 2005 for an additional ten years beyond the original expiration date of 2008; subsequently, the State of Iowa has enacted legislation extending this tax statewide expiring in 2029. With this sales tax funding the District was able to develop a plan for the future. The first step was to design a new middle school, as well as certain essential repairs and renovations to existing buildings. Construction was completed in December 2001 on the 165,000 square foot West Middle School. The 195,000 square foot East Middle School was completed and opened in August 2002. North Middle School was completed in June of 2004 with an opening date of August 2004. Irving Elementary School opened in August of 2006 which replaced the old Irving Elementary School which was the oldest operating elementary in

the State of Iowa. Two other new elementary schools, Leeds and Unity, were completed and opened in the fall of 2008; Liberty Elementary School, replacing Smith and Everett Elementary School, opened in August 2010. Spalding Park Elementary School, which replaced Joy and Longfellow Elementary Schools, opened in August 2012. Loess Hills Elementary School, which replaced Emerson and Roosevelt, opened in August 2014. Morningside Elementary, which replaced Washington and Whittier Elementary, opened in August of 2015. In addition, the District has two more elementary schools under construction set to be opened in August 2016 and 2019. The District issued revenue bonds in December 1999, December 2000, July 2001, April 2005, December 2006, March 2007, December 2008, November 2009, September 2010, May of 2012, September 2013, September 2014 and June 2015 to finance construction of these schools with sales tax revenues paying of the bonds.

Economic Condition and Outlook

The City of Sioux City's location in the tri-state area of Iowa, Nebraska and South Dakota provides the area with a regional economic importance. Our strong regional retail market continues to provide wealth to the community and coordinates strategically with convention and tourism activities.

While the regional tax base is strong, the property tax base of the Sioux City Community School District itself is substantially below the state average. The per pupil property tax valuation remains the lowest in the State of Iowa.

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. During fiscal year 2009-2010, due to the downturn in the state's economy, a 10 percent across the board reduction in state aid was ordered for all Iowa school districts. This amounted to a mid-year reduction of \$6.7 million. Allowable growth for fiscal year 2011-2012 was set at 0 percent which maintained the cost per pupil at \$5,883; allowable growth for fiscal year 2012-2013 was set at 2 percent which made the cost per pupil \$6,001; allowable growth (now referred to as State Percent of Growth) for fiscal year 2013-2014 was set at 2 percent, the State Percent of Growth for fiscal year 2014-2015 was set at 4 percent, and the State Percent of Growth for fiscal year 2015-16 was set at 1.25 percent. In light of these reductions and minimal funding, the School District must operate in the most efficient manner possible during fiscal year 2015-16 to help ensure adequate funding for staff, services and supplies.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International awarded a Certificate of Excellence to the District for their comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. In order to be awarded these certificates, 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. These certificates are valid for a period of one year only. We believe our current

report continues to conform to these requirements and are submitting it to both organizations to determine its eligibility for certificates from these organizations.

Other Matters

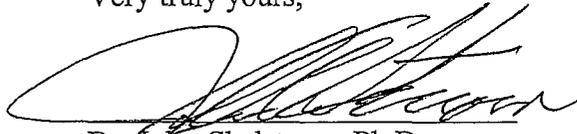
Also included in this report is a statistical section, including additional financial data, that will give the reader a better understanding on the school system. This section has been updated in conformity with the reporting requirements of GASB 44. This section provides information categorized as follows:

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

We wish to take this opportunity to thank the administrative office staff, in particular Jackie Engle, Patty Pageler, and Jodi Ryan who assisted in obtaining and organizing data, the Woodbury and Plymouth County Auditor and Treasurer Office staffs, and the City and other community officials who provided much needed information. Without all the above groups' efforts, the report could not have been completed.

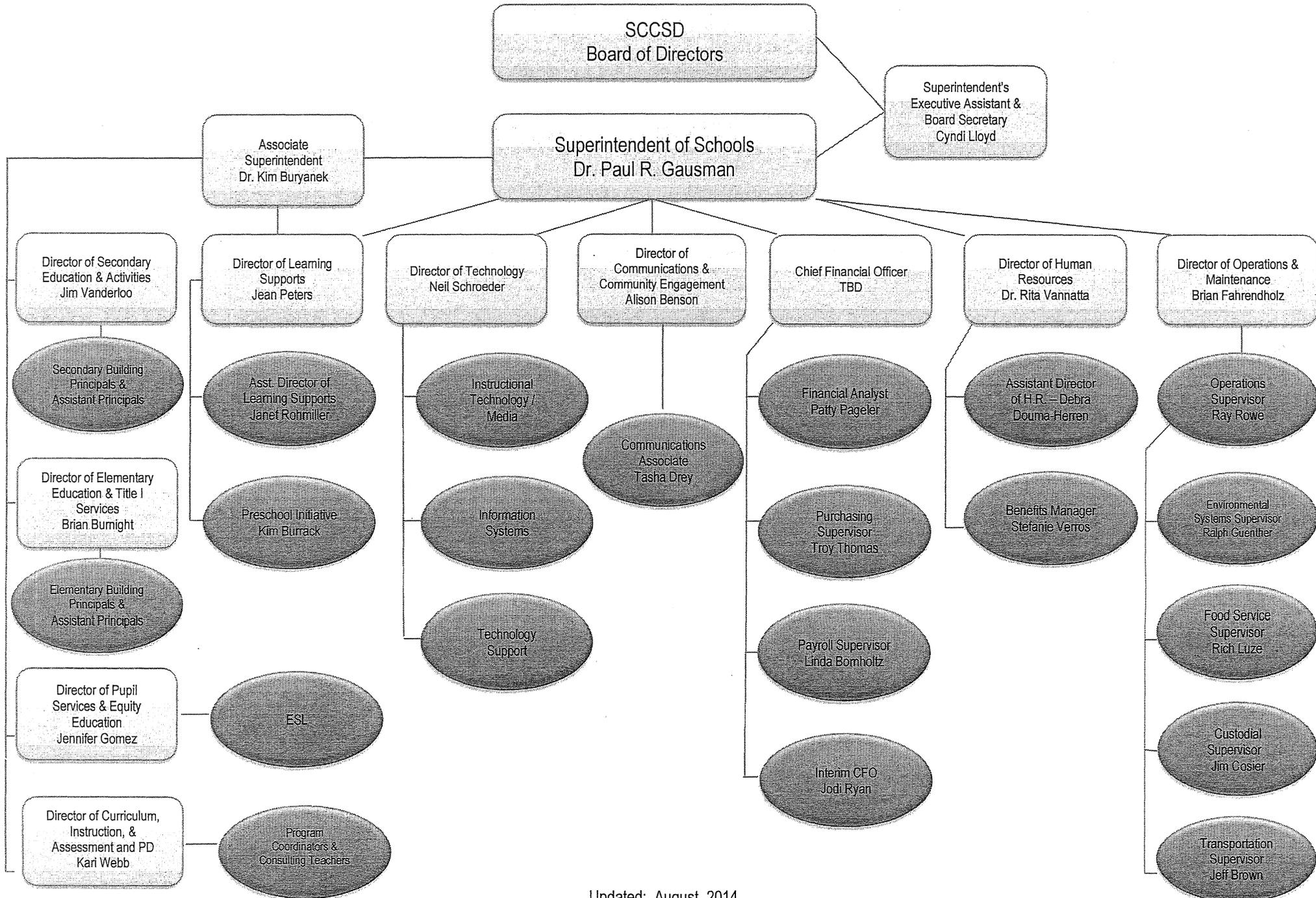
In summary, the objective of the Comprehensive Annual Report is to provide the general public and other users of the District's financial information a better understanding of the operating activities and financial condition of the District.

Very truly yours,



Dr. John Chalstrom, Ph.D.
Chief Financial Officer

Sioux City Community School District - Leadership Organizational Chart 2014-2015



SIOUX CITY COMMUNITY SCHOOL DISTRICT

BOARD OF EDUCATION

YEAR ENDED JUNE 30, 2015

| <u>Name</u> | <u>Title</u> | <u>Term Expires</u> |
|-----------------------|----------------|---------------------|
| Mike Krysl | President | September, 2015 |
| Dr. Michael McTaggart | Vice-President | September, 2015 |
| Paul Gorski | Board Member | September, 2017 |
| Paul Speidel | Board Member | September, 2017 |
| Walt Johnson | Board Member | September, 2015 |
| Jackie Warnstadt | Board Member | September, 2015 |
| Perla Alarcon-Flory | Board Member | September, 2015 |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHOOL DISTRICT ADMINISTRATION

YEAR ENDED JUNE 30, 2015

| | |
|-----------------------|---------------------------------|
| Dr. Paul R. Gausman | Superintendent |
| Dr. Kimberly Buryanek | Associate Superintendent |
| Jodi Ryan | Interim Chief Financial Officer |
| Dr. Rita Vannatta | Director of Human Resources |

BUSINESS OFFICE

| | |
|---------------|-----------------------|
| Troy Thomas | Purchasing Supervisor |
| Sherri Jones | Payroll Supervisor |
| Patty Pageler | Financial Analyst |

DIRECTORS

| | |
|-------------------|---|
| Jennifer Gomez | Director of Pupil Services and Equity Education |
| Neil Schroeder | Director of Technology |
| Brian Burnight | Director of Elementary Education and Title I Services |
| Jim Vanderloo | Director of Secondary Education and Activities |
| Brian Fahrendholz | Director of Operations and Construction |
| Jean Peters | Director of Learning Supports |
| Kari Webb | Director of Curriculum, Instruction, and Assessment and PD |
| Alison Benson | Director of Communications and Community Engagement |

Association of School Business Officials International

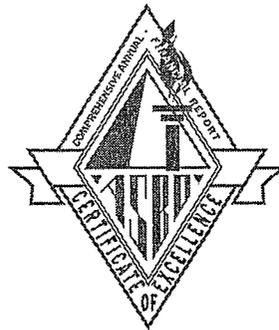


*The Certificate of Excellence in Financial Reporting Award
is presented to*

Sioux City 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, RSB0, 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Sioux City Community School District
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Sioux City Community School District
Sioux City, Iowa

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 the Sioux City Community School District (the District), 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 as 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 accounting principles generally accepted in the United States of America; 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 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. 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 of 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 entity'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 entity'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 that 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 the Sioux City 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 accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 14 to the financial statements, the 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, schedule of funding progress on page 51, budgetary comparison information on pages 52 through 54, schedule of the District's proportionate share of the net pension liability and schedule of District contributions on pages 55 through 58 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, who 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have 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 them.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the Sioux City 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 the District's internal control over financial reporting and compliance.

Sioux City, Iowa
December 18, 2015

King, Heinsch, Prosser & Co., L.L.P.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Sioux City Community School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. The analysis focuses on the District's financial performance as a whole. Please read this analysis in conjunction with the transmittal letter at the front of the report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial total net position decreased by \$58.8 million or by 41.6 percent. This was due to the implementation of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The beginning total net position as of July 1, 2014 was decreased by a restatement of \$69.0 million to retroactively report the net pension liability and deferred outflows of resources. The fiscal year 2015 change in net position increased by \$10.2 million, due to increases in state aid and operating grants and contributions.
- Total revenues increased from \$174.9 million to \$187.3 million, an increase of 7.1 percent. State and federal revenues increased while local funding decreased.
- Total expenses increased from \$169.4 million to \$177.1 million, an increase of 4.5 percent, largely driven by increases in salaries and benefits.
- In the Fund Financial Statements the General Fund had an increase in fund balance of \$3,219,381 from \$21.0 million to \$24.2 million. The Solvency Ratio (Unassigned Fund Balance divided by General Fund Revenues) increased from 11.9 percent to 13.0 percent from fiscal year 2014 to fiscal year 2015. The District continues to maintain a responsible financial position in the General Fund.
- The one percent sales tax for school infrastructure continues to modernize the District's school building infrastructure.
- The original funding source for school infrastructure improvement was a one percent county local option sales tax law passed in 1998. In fiscal year 2007 the last of 99 counties passed a local option sales tax for school infrastructure. Noting the popularity and need for this tax, the state passed a new law creating a uniform state-wide one percent sales tax and extended the life of the tax to December 31, 2029.

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 activities 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 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 benefit plan.
- Supplementary Information includes the Schedule of Expenditures of Federal Awards which provides details of various federal programs benefiting the District.

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

Figure A-1

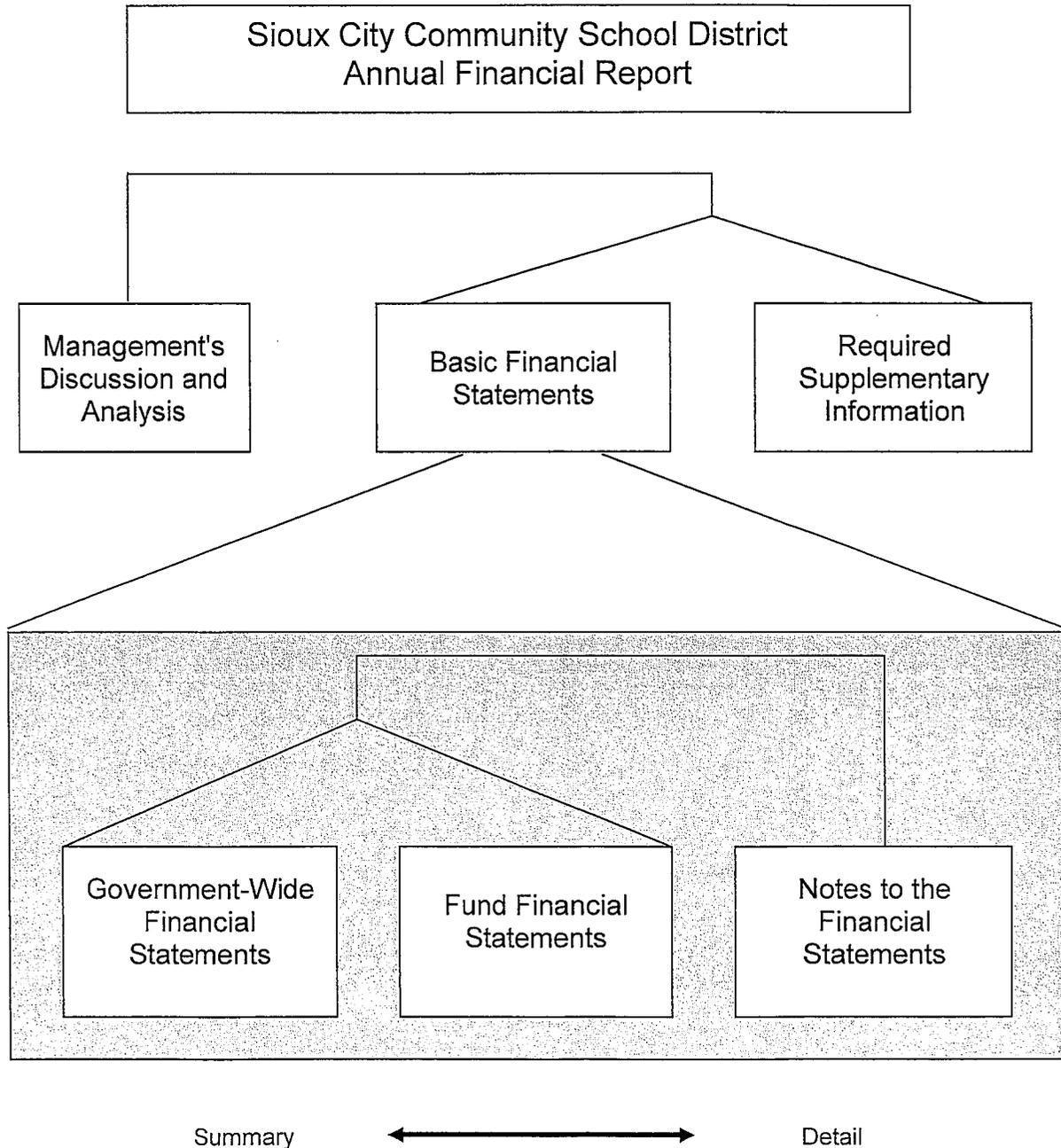


Figure A-2 below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents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

Figure A-2 Major Features of Government-Wide and Fund Financial Statements

| | Government-Wide Statements | Fund Financial Statements | |
|---|--|---|--|
| | | Governmental Funds | Proprietary Funds |
| Scope | Entire District | The activities of the District that are not proprietary, such as special education and building maintenance | Activities the District operates similar to private businesses: food services |
| 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 |
| 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 |
| 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 |
| Type of deferred outflow/inflow information | Consumption/ acquisition of net position that is applicable to a future reporting period | Consumption/ acquisition of fund balance 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 the 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 and payable | All revenues and expenses during the year, regardless of when cash is received or paid |

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources.

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 statements report the District's net position and how it has changed. Net position - the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources - are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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 taxes and state aid finance most of these activities.
- *Business-Type Activities* - The District charges fees to help it cover the costs of certain services it provides. The District's food service 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 "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 and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as repaying its long-term debts, or to show that it is properly using certain revenues, such as federal grants.

The District has two kinds of funds:

- *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 fund 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. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information with the governmental fund statements that explain the relationship (or differences) between them.
- *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 financial statements.
 - The District's *enterprise fund* is the same as its business-type activities but provides more detail and additional information, such as cash flows. The District's enterprise fund is the School Nutrition Fund.
 - *Internal service funds* are used to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund - the dental self-insurance fund.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-1 below provides a summary of the District's net position at June 30, 2015 compared to 2014.

**Table A-1
Condensed Statement of Net Position**

| | Governmental Activities | | Business-Type Activities | | Total School District | | Total Percentage Change |
|----------------------------------|-------------------------|--------------------|--------------------------|------------------|-----------------------|--------------------|-------------------------------|
| | 2014 | | 2014 | | 2014 | | 2014-2015 |
| | 2015 | (Not Restated) | 2015 | (Not Restated) | 2015 | (Not Restated) | |
| Current and other assets | \$ 123,277,560 | \$ 101,812,445 | \$ 2,045,922 | \$ 1,694,696 | \$ 125,323,482 | \$ 103,507,141 | 21.1% |
| Capital assets | <u>202,734,518</u> | <u>188,836,497</u> | <u>1,449,034</u> | <u>1,579,642</u> | <u>204,183,552</u> | <u>190,416,139</u> | 7.2% |
| Total assets | \$ 326,012,078 | \$ 290,648,942 | \$ 3,494,956 | \$ 3,274,338 | \$ 329,507,034 | \$ 293,923,280 | 12.1% |
| Deferred outflows of resources | \$ 12,925,966 | \$ - | \$ 318,297 | \$ - | \$ 13,244,263 | \$ - | 100.0% |
| Long-term debt outstanding | \$ 101,939,197 | \$ 76,240,897 | \$ - | \$ - | \$ 101,939,197 | \$ 76,240,897 | 33.7% |
| Other liabilities | <u>99,595,941</u> | <u>39,573,957</u> | <u>1,531,596</u> | <u>115,857</u> | <u>101,127,537</u> | <u>39,689,814</u> | 154.8% |
| Total liabilities | \$ 201,535,138 | \$ 115,814,854 | \$ 1,531,596 | \$ 115,857 | \$ 203,066,734 | \$ 115,930,711 | 75.2% |
| Deferred inflows of resources | \$ 56,578,159 | \$ 36,654,988 | \$ 528,711 | \$ - | \$ 57,106,870 | \$ 36,654,988 | 55.8% |
| Net position: | | | | | | | |
| Net investment in capital assets | \$ 122,035,557 | \$ 119,768,132 | \$ 1,449,034 | \$ 1,579,642 | \$ 123,484,591 | \$ 121,347,774 | 1.8% |
| Restricted | 11,389,889 | 10,454,296 | - | - | 11,389,889 | 10,454,296 | 8.9% |
| Unrestricted | <u>(52,600,699)</u> | <u>7,956,672</u> | <u>303,912</u> | <u>1,578,839</u> | <u>(52,296,787)</u> | <u>9,535,511</u> | -648.4% |
| Total net position | \$ 80,824,747 | \$ 138,179,100 | \$ 1,752,946 | \$ 3,158,481 | \$ 82,577,693 | \$ 141,337,581 | -41.6% |

The District's combined net position decreased by 41.6 percent from \$141.3 million to \$82.6 million, a decrease of \$58.8 million. Unrestricted net position decreased by \$61.8 million. This reduction in unrestricted net position was primarily a result of the District's net pension liability 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 \$67,305,264 and \$1,704,542, 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 year 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.

The 1 percent statewide sales, services and use tax has been especially beneficial to the District. It is mainly used for capital projects, which are expensed as depreciation over many years on the statement of activities. The statewide sales, services and use tax revenue was \$13.5 million and \$12.1 million in fiscal years 2015 and 2014, respectively.

Cash and investments total \$76.4 million for fiscal year 2015 compared to \$55.9 million for fiscal year 2014. \$28.3 million of these cash balances are needed to fund the District's operations in July, August and September before the first state aid and property tax payments are received by the District in the next fiscal year. \$26.5 million is restricted for current and future capital projects and \$3.8 million is restricted for debt service requirements.

U.S. Generally Accepted Accounting Principles (GAAP) requires that the property taxes which are certified in April (the lien date) for the upcoming fiscal year be accrued as a receivable and also be shown as deferred inflows of resources. The succeeding year property tax receivable and corresponding deferred inflows of resources amount was \$35.7 million and \$36.7 million for fiscal years 2015 and 2014.

CHANGES IN NET POSITION

Table A-2 compares the changes in net position from operating results for fiscal years 2015 and 2014.

**Table A-2
Changes in Net Position**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total School District</u> | | <u>Total</u> |
|--|--------------------------------|--------------------|---------------------------------|------------------|------------------------------|--------------------|--|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>Percentage Change</u> <u>2014-2015</u> |
| Revenues: | | | | | | | |
| Program revenues: | | | | | | | |
| Charges for services | \$ 3,218,416 | \$ 3,212,490 | \$ 2,071,322 | \$ 2,162,006 | \$ 5,289,738 | \$ 5,374,496 | -1.6% |
| Operating grants and contributions | 32,503,773 | 28,051,320 | 6,139,984 | 5,904,100 | 38,643,757 | 33,955,420 | 13.8% |
| Capital grants, contributions | 43,666 | 103,874 | - | - | 43,666 | 103,874 | -58.0% |
| General revenues: | | | | | | | |
| Property taxes | 37,320,835 | 37,274,142 | - | - | 37,320,835 | 37,274,142 | 0.1% |
| Statewide sales, services and use tax | 13,490,987 | 12,123,178 | - | - | 13,490,987 | 12,123,178 | 11.3% |
| Other taxes | 3,856,197 | 3,512,896 | - | - | 3,856,197 | 3,512,896 | 9.8% |
| State aid | 84,921,532 | 78,611,950 | - | - | 84,921,532 | 78,611,950 | 8.0% |
| Other | <u>3,755,699</u> | <u>3,888,371</u> | <u>22,611</u> | <u>20,936</u> | <u>3,778,310</u> | <u>3,909,307</u> | <u>-3.4</u> |
| Total revenues | \$ 179,111,105 | \$ 166,778,221 | \$ 8,233,917 | \$ 8,087,042 | \$ 187,345,022 | \$ 174,865,263 | 7.1% |
| Expenses: | | | | | | | |
| Instruction | \$ 118,505,539 | \$ 117,379,623 | \$ - | \$ - | \$ 118,505,539 | \$ 117,379,623 | 1.0% |
| Pupil and instructional support services | 17,954,166 | 12,679,746 | - | - | 17,954,166 | 12,679,746 | 41.6% |
| Administrative and business | 12,693,814 | 12,122,682 | - | - | 12,693,814 | 12,122,682 | 4.7% |
| Maintenance and operations | 11,589,683 | 11,606,051 | - | - | 11,589,683 | 11,606,051 | -0.1% |
| Transportation | 4,870,028 | 4,681,343 | - | - | 4,870,028 | 4,681,343 | 4.0% |
| Other | <u>3,546,964</u> | <u>3,079,039</u> | <u>7,934,910</u> | <u>7,843,496</u> | <u>11,481,874</u> | <u>10,922,535</u> | <u>5.1%</u> |
| Total expenses | \$ 169,160,194 | \$ 161,548,484 | \$ 7,934,910 | \$ 7,843,496 | \$ 177,095,104 | \$ 169,391,980 | 4.5% |
| Change in net position | \$ 9,950,911 | \$ 5,229,737 | \$ 299,007 | \$ 243,546 | \$ 10,249,918 | \$ 5,473,283 | <u>87.3%</u> |
| Beginning net position as restated | <u>70,873,836</u> | <u>132,949,363</u> | <u>1,453,939</u> | <u>2,914,935</u> | <u>72,327,775</u> | <u>135,864,298</u> | |
| Ending net position | \$ 80,824,747 | \$ 138,179,100 | \$ 1,752,946 | \$ 3,158,481 | \$ 82,577,693 | \$ 141,337,581 | |

In fiscal year 2015 state aid accounted for 47.4 percent of revenues from governmental activities as compared to 47.1 percent for fiscal year 2014. Property taxes in fiscal year 2015 accounted for 20.8 percent of revenues from governmental activities compared to 22.3 percent in fiscal year 2014. State aid and property taxes provide 68.2 percent of the funding for governmental activities in fiscal year 2015 and 69.5 percent in fiscal year 2014. Charges for services account for 25.2 percent of the total revenues for business-type activities in fiscal year 2015 compared to 26.7 percent in fiscal year 2014. Operating grants and contributions account for 74.6 percent of the total business-type activities revenue for fiscal year 2015 and 73.0 percent for fiscal year 2014. Figure A-3 graphically depicts the revenue for fiscal year 2014 and fiscal year 2015.

District revenues for fiscal year 2015 totaled \$187.3 million compared to \$174.9 million in fiscal year 2014. Unrestricted state aid increased by \$6.3 million in fiscal year 2015. The increase is due to a combination of a 4.0 percent supplemental state aid growth from the state and significant enrollment increases. 95.6 percent of total District revenue was from governmental activities in fiscal year 2015 and 95.4 percent in fiscal year 2014.

District expenses for fiscal year 2015 totaled \$177.1 million as compared to \$169.4 million in fiscal year 2014. Salary and benefit expense increases accounted for much of the change.

The District's predominant expenses are related to instruction (66.9 percent in fiscal year 2015 and 69.3 percent in fiscal year 2014). Instruction expenses and pupil and instructional support services total 77.1 percent of total District expenses in fiscal years 2015 and 76.8 percent in fiscal year 2014. Administrative and business account for the next largest percentage of expenses at 7.2 percent for fiscal years 2015 and 2014. Administrative and business includes all the District's liability and workers' compensation insurance as well as building administration and District support. Building maintenance and operation accounted for 6.5 percent of total expense in fiscal year 2015 and 6.9 percent in fiscal year 2014. Building maintenance and operation are an important element in the functioning of a school district. Figure A-4 graphically depicts the expense for fiscal year 2015 and fiscal year 2014.

Figure A-3

TOTAL DISTRICT REVENUE - FY2015 AND FY2014 (In millions)

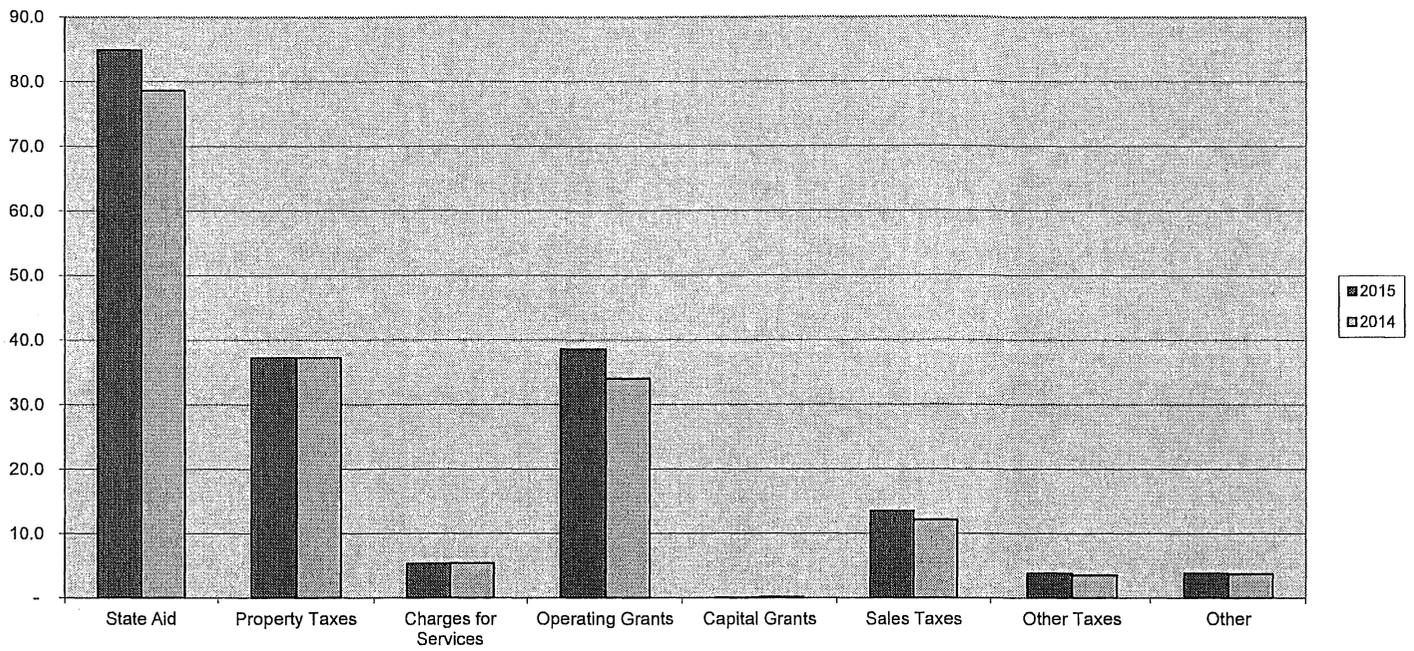
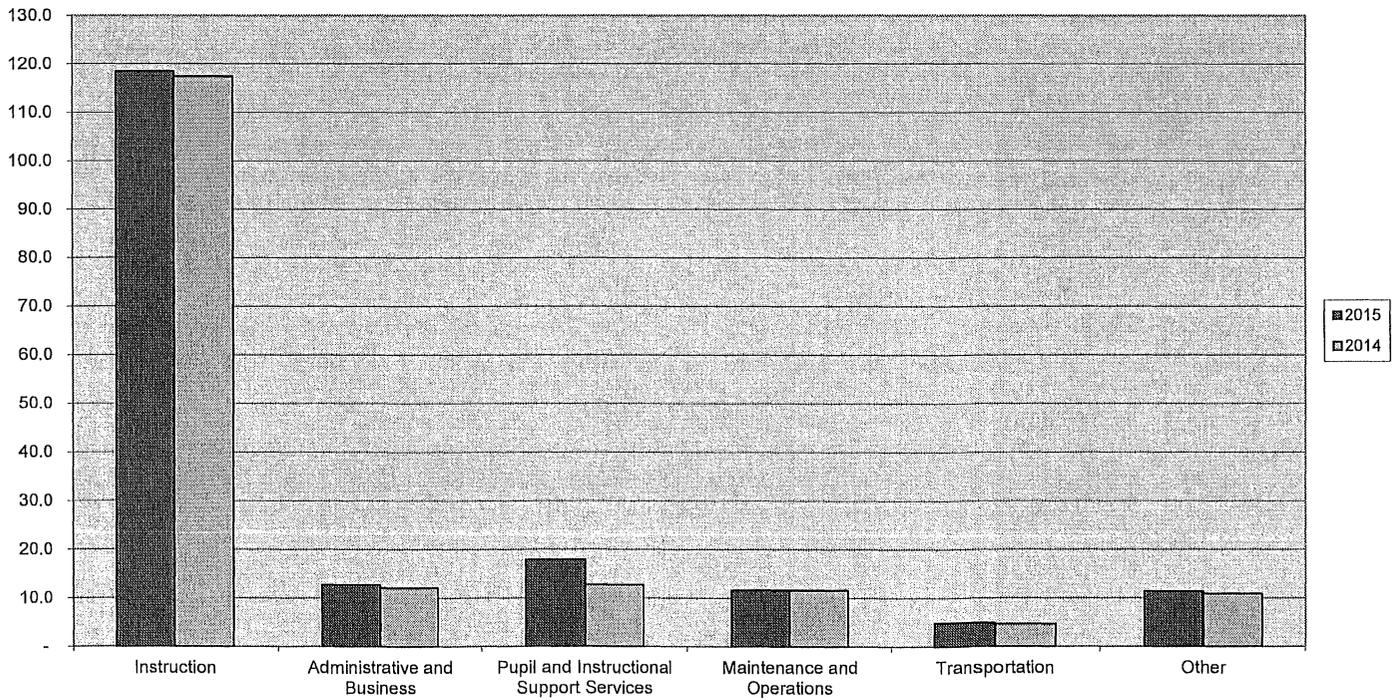


Figure A-4

TOTAL DISTRICT EXPENSES - FY2015 AND FY2014 (In millions)



GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$179.1 million and governmental expenses were \$169.2 million. As in previous years, the District managed expenditures to correspond with available revenues. In addition, the Statewide Sales, Services and Use Tax, now titled the Secure and Advanced Education (SAVE) revenue of \$13.5 million contributed significantly to the change in net position. A significant portion of the sales tax capital expenditures were capital assets and were therefore not expensed on the statement of activities. Capital assets are depreciated over their useful lives over multiple years on the statement of activities.

Table A-3 represents the cost of the six major District activities for both fiscal year 2015 and fiscal year 2014. These six activities, or functions, are instruction, pupil and instructional support services, administration and business, maintenance and operations, transportation, and other. The table also shows each activities net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost is useful because it shows the financial burden placed on the District's taxpayers by each of these activities.

- The cost of all governmental activities for fiscal year 2015 was \$169.2 million as compared to \$161.5 million for fiscal year 2014.
- In fiscal years 2015 and 2014, \$3.2 million was financed by users of the District.
- In fiscal year 2015 the federal and state government subsidized certain programs with grants and contributions of \$32.5 million as compared to \$28.1 million in fiscal year 2014.
- Most of the District's net cost of governmental activities (\$133.4 million in fiscal year 2015 and \$130.2 million in fiscal year 2014) was financed by District and state taxpayers, i.e. \$37.3 million of property taxes, \$84.9 million of unrestricted state aid, \$13.5 million of statewide sales, services and use tax, \$3.9 million of income surtaxes, and \$3.8 million of other.

**Table A-3
Net Cost of Governmental Activities**

| | <u>Total Cost of Services</u> | | 2015 | Percent | <u>Net Cost of Services</u> | | 2015 | Percent |
|--|-------------------------------|----------------|-------------------------|-------------------------|-----------------------------|----------------|-------------------------|-------------------------|
| | <u>2015</u> | <u>2014</u> | <u>Percent to Total</u> | <u>Change 2014-2015</u> | <u>2015</u> | <u>2014</u> | <u>Percent to Total</u> | <u>Change 2014-2015</u> |
| Expenses: | | | | | | | | |
| Instruction | \$ 118,505,539 | \$ 117,379,623 | 70.05% | 1.0% | \$ 84,063,699 | \$ 87,221,644 | 63.02% | -3.6% |
| Pupil and instructional support services | 17,954,166 | 12,679,746 | 10.61% | 41.6% | 16,939,975 | 11,737,091 | 12.70% | 44.3% |
| Administrative and business | 12,693,814 | 12,122,682 | 7.50% | 4.7% | 12,693,814 | 12,122,682 | 9.52% | 4.7% |
| Maintenance and operations | 11,589,683 | 11,606,051 | 6.85% | -0.1% | 11,589,683 | 11,606,051 | 8.69% | -0.1% |
| Transportation | 4,870,028 | 4,681,343 | 2.88% | 4.0% | 4,560,204 | 4,414,293 | 3.42% | 3.3% |
| Other | 3,546,964 | 3,079,039 | 2.11% | 15.2% | 3,546,964 | 3,079,039 | 2.65% | 15.2% |
| Total expenses | \$ 169,160,194 | \$ 161,548,484 | 100.00% | 4.7% | \$ 133,394,339 | \$ 130,180,800 | 100.00% | 2.5% |

BUSINESS-TYPE ACTIVITIES

Revenues of the District's business-type activities (Food and Nutrition Services) were comprised of charges for services, federal and state contributions, investment earnings, and miscellaneous contributions.

- Business-type activities revenues exceeded expenses by \$299,007 in fiscal year 2015 and \$243,546 in fiscal year 2014.
- Charges for services represent \$2.1 million or 25.2 percent of total business-type activity revenues. This is predominantly the amount paid by students and staff for daily breakfasts and lunches.
- Federal and state reimbursement for meals was \$6.1 million or 74.6 percent of total business-type activity revenues.

- Food Services federal and state reimbursement increased by \$235,884 or 4.0 percent from the previous fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting, as required by the Governmental Accounting Standards Board and the Iowa code, to ensure and demonstrate compliance with finance related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well as the government wide financial statements. The District's governmental funds reported combined fund balances of \$53.3 million, an increase of \$17.7 million over the previous years combined fund balances. The key factor in this increase is an increase in the fund balance of the Sales Tax Fund. During fiscal year 2015 the Sales Tax Fund issued \$28 million of bond proceeds and \$15.1 million where unspent as of the end of the year.

INDIVIDUAL MAJOR GOVERNMENTAL FUND HIGHLIGHTS

- The General Fund had an increase in fund balance of \$3.2 million from \$21.0 million to \$24.2 million. General Fund revenue increased by \$10.2 million mainly due to an increase in state aid. General fund expenditures increased by \$8.2 million from \$148.3 million in fiscal year 2014 to \$156.5 million in fiscal year 2015. Expenditures increased mainly due to increases in salaries and benefits.
- The Management Fund's revenues financed the expenditures of this fund which are workers compensation, property and liability insurance premiums, and early retirement plan expenditures. The ending fund balance decreased from \$1.1 million in fiscal year 2014 to \$909,099 in fiscal year 2015.
- The Physical Plant and Equipment Levy Fund (PEEL) had a decrease in fund balance of \$816,924 from \$1.4 million to \$575,659. The infrastructure repairs and capital equipment expenditures including school busses increased \$638,585 from \$1.0 million in fiscal year 2014 to \$1.6 million in fiscal year 2015.
- The Sales Tax Fund had a fund balance increase of \$14.9 million from \$9.2 million in fiscal year 2014 to \$24.1 million in fiscal year 2015. Revenue increased to \$13.5 million in fiscal year 2015 from \$12.3 million in fiscal year 2014. The Sales Tax Fund issued \$28 million of bond proceeds in fiscal year 2015. Expenditures were \$20.5 million in fiscal year 2014 and \$19.5 million in fiscal year 2015. Expenditures are capital in nature and fluctuate based on current projects. Transfers out in fiscal year 2015 were \$8.0 million and \$8.4 million in fiscal year 2014. The transfers are for debt service payments.
- In fiscal year 2015, the District created the Energy Efficiency Project Fund to report the \$1.8 million of general obligation capital loan notes issued to finance the energy conservation and management measure capital outlay.
- The Debt Service Fund had a fund balance increase of \$510,565. This is due to the required QSCB sinking fund which is funded by transfers from the Sales Tax Fund.

INDIVIDUAL MAJOR PROPRIETARY FUND HIGHLIGHTS

- School Nutrition Fund's net position increased by \$296,377 in fiscal year 2015 compared to \$224,521 in fiscal year 2014. This was primarily due to an increase in federal revenue.

BUDGETARY HIGHLIGHTS

The District certifies the budget in April for the following fiscal year which begins on July 1 and ends on June 30 of that following year. The state allows districts to amend their budget by May 31 of the budget year. The District did not amend its budget this year.

The District's total revenues were more than the total budgeted revenues by \$1.7 million, a variance of 0.9 percent.

Total expenditures were \$198.7 million, \$23.8 million less than total budgeted expenditures of \$222.5 million.

The certified budget was exceeded in the support services functional area due to the timing of expenditures at year-end without sufficient time to amend the certified budget.

A schedule showing the original and amended budget amounts compared to actual results is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2015, the District had invested over \$296.9 million in capital assets (\$204.2 million net of depreciation). This is a net increase of 7.2 percent. During fiscal year 2015, \$21.1 million of new capital assets were added and annual depreciation totaled \$7.0 million. (More detailed information can be found in Note 4 to the Financial Statements).

Construction on a new elementary school on the former Hoover Middle School site, now named Perry Creek Elementary School, began in fiscal year 2013. This school is scheduled to open in August 2016. Construction of a new elementary school on the Bryant Elementary School site began in fiscal year 2014 and is scheduled to open in August of 2019.

Table A-4 summarizes the capital assets of the District at fiscal year-end 2015 and 2014.

**Table A-4
Capital Assets**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total School District</u> | | <u>Percent</u> | <u>2015</u> |
|---------------------------------------|--------------------------------|-----------------------|---------------------------------|---------------------|------------------------------|-----------------------|------------------|-----------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>Change</u> | <u>Percent</u> |
| | | | | | | | <u>2014-2015</u> | <u>to Total</u> |
| Land and improvements | \$ 21,383,167 | \$ 19,930,344 | \$ - | \$ - | \$ 21,383,167 | \$ 19,930,344 | 7.3% | 7.20% |
| Buildings | 192,208,434 | 178,661,723 | - | - | 192,208,434 | 178,661,723 | 7.6% | 64.74% |
| Equipment and furniture | 49,224,633 | 47,097,523 | 2,951,493 | 2,865,056 | 52,176,126 | 49,962,579 | 4.4% | 17.57% |
| Construction in progress | 30,468,734 | 27,707,074 | - | - | 30,468,734 | 27,707,074 | 10.0% | 10.26% |
| Intangibles | 675,564 | 675,564 | - | - | 675,564 | 675,564 | 0.0% | 0.23% |
| Total | \$ 293,960,532 | \$ 274,072,228 | \$ 2,951,493 | \$ 2,865,056 | \$ 296,912,025 | \$ 276,937,284 | 7.2% | 100.00% |
| Accumulated depreciation/amortization | <u>(91,226,014)</u> | <u>(85,235,731)</u> | <u>(1,502,459)</u> | <u>(1,285,414)</u> | <u>(92,728,473)</u> | <u>(86,521,145)</u> | 7.2% | |
| Total capital assets | \$ <u>202,734,518</u> | \$ <u>188,836,497</u> | \$ <u>1,449,034</u> | \$ <u>1,579,642</u> | \$ <u>204,183,552</u> | \$ <u>190,416,139</u> | 7.2% | |

Long-Term Debt

As of fiscal year-end 2015, the District had \$101.9 million in General Obligation Notes and Revenue Bonds. This represents a net increase of \$25.7 million from fiscal year 2014. Table A-5 summarizes the District's long-term debt for fiscal years 2015 and 2014. (More detailed information about the District's long-term debt is presented in Note 5 to the Financial Statements).

**Table A-5
District's Outstanding Long-Term Debt**

| | <u>Total School District</u> | | <u>Percentage</u> |
|--------------------------|------------------------------|----------------------|-------------------|
| | <u>2015</u> | <u>2014</u> | <u>Change</u> |
| General Obligation Notes | \$ 1,182,784 | \$ 175,000 | 575.9% |
| Revenue Bonds | 100,756,413 | 76,065,897 | 32.5% |
| Total | \$ <u>101,939,197</u> | \$ <u>76,240,897</u> | 33.7% |

Bond Ratings

The District received an A1 General Obligation Bond rating from Moody's in fiscal year 2002. This rating was reaffirmed in fiscal year ended 2010. Standard and Poor's assigned the District's revenue bonds issued in fiscal year ended 2007 an AAA bond rating and the revenue bonds issued during the fiscal years ended 2009 through 2014 an A+ bond rating. In fiscal year 2015 Standard and Poor's advanced the A+ bond rating to an AA bond rating.

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 financial health in the future:

- Each year the Iowa Legislature provides for growth in the Iowa School Foundation Funding Formula. Fiscal years 2002 through 2005 experienced net annual allowable growth of 2 percent or less. Fiscal years 2006, 2007, 2008, and 2009 received 4 percent allowable growth before the adjustment for changes in enrollment. Fiscal year 2010 also received 4 percent allowable growth, but the Governor ordered an across the board cut of 10 percent which resulted in a mid-year reduction in state aid of \$6.7 million. Fiscal year 2011 allowable growth was 2 percent, but was significantly underfunded. Fiscal year 2012 was 0 percent and fiscal years 2013 and 2014 were 2 percent. For fiscal year 2015 the state percentage of growth was 4 percent while the 2016 state percentage of growth was 1.25 percent. The 2017 rate has not been set yet. This is significant because the ability of the District to make future budget decisions and to negotiate salary and benefit settlements, which comprise 80 percent of the District's General Fund expenditures, is dependent on determining the funding levels for future years.
- The District experienced an enrollment increase of 1.4 percent in the October 2014 certified enrollment count and another increase of 2.0 percent in the October 2015 certified enrollment count. Since enrollment is a major factor in school foundation formula funding, along with state percentage growth, the District needs to continue its enrollment increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide 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 Jodi Ryan, Assistant Finance Director, Sioux City Community School District, 627 4th Street, Sioux City, Iowa 51101.

BASIC FINANCIAL STATEMENTS

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2015

| | <u>Governmental</u> | <u>Business-Type</u> | <u>Total</u> |
|--|-----------------------|----------------------|-----------------------|
| | <u>Activities</u> | <u>Activities</u> | |
| <u>ASSETS</u> | | | |
| Current assets: | | | |
| Cash and pooled investments | \$ 50,070,106 | \$ 1,517,105 | \$ 51,587,211 |
| Receivables: | | | |
| Property taxes | 441,858 | - | 441,858 |
| Succeeding year property taxes | 35,701,581 | - | 35,701,581 |
| Accounts | 315,914 | 153,467 | 469,381 |
| Internal balances | (49,914) | 49,914 | - |
| Due from other governmental agencies | 11,936,032 | - | 11,936,032 |
| Inventories | 6,811 | 325,436 | 332,247 |
| Total current assets | <u>\$ 98,422,388</u> | <u>\$ 2,045,922</u> | <u>\$ 100,468,310</u> |
| Noncurrent assets: | | | |
| Restricted cash and investments | \$ 24,855,172 | \$ - | \$ 24,855,172 |
| Land and construction in progress | 41,015,971 | - | 41,015,971 |
| Property and equipment, net | 161,718,547 | 1,449,034 | 163,167,581 |
| Total noncurrent assets | <u>\$ 227,589,690</u> | <u>\$ 1,449,034</u> | <u>\$ 229,038,724</u> |
| Total assets | <u>\$ 326,012,078</u> | <u>\$ 3,494,956</u> | <u>\$ 329,507,034</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Deferred charge on refunding | \$ 363,589 | \$ - | \$ 363,589 |
| Pension related deferred outflows | 12,562,377 | 318,297 | 12,880,674 |
| Total deferred outflows of resources | <u>\$ 12,925,966</u> | <u>\$ 318,297</u> | <u>\$ 13,244,263</u> |
| <u>LIABILITIES</u> | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 14,848,030 | \$ 100,406 | \$ 14,948,436 |
| Accrued wages | 13,229,601 | 44,849 | 13,274,450 |
| Unearned revenue | 422,766 | - | 422,766 |
| Self-insurance claim | 53,770 | - | 53,770 |
| Accrued interest payable | 751,914 | - | 751,914 |
| Compensated absences | 526,026 | - | 526,026 |
| Long-term debt due within one year | 678,132 | - | 678,132 |
| Total current liabilities | <u>\$ 30,510,239</u> | <u>\$ 145,255</u> | <u>\$ 30,655,494</u> |
| Noncurrent liabilities: | | | |
| Net pension liability | \$ 54,740,834 | \$ 1,386,341 | \$ 56,127,175 |
| Net OPEB obligation | 15,023,000 | - | 15,023,000 |
| Long-term debt due in more than one year | 101,261,065 | - | 101,261,065 |
| Total noncurrent liabilities | <u>\$ 171,024,899</u> | <u>\$ 1,386,341</u> | <u>\$ 172,411,240</u> |
| Total liabilities | <u>\$ 201,535,138</u> | <u>\$ 1,531,596</u> | <u>\$ 203,066,734</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Property taxes levied for subsequent years | \$ 35,701,581 | \$ - | \$ 35,701,581 |
| Pension related deferred inflows | 20,876,578 | 528,711 | 21,405,289 |
| Total deferred inflows of resources | <u>\$ 56,578,159</u> | <u>\$ 528,711</u> | <u>\$ 57,106,870</u> |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | \$ 122,035,557 | \$ 1,449,034 | \$ 123,484,591 |
| Restricted for: | | | |
| Categorical funding | 3,233,342 | - | 3,233,342 |
| Management levy purposes | 909,099 | - | 909,099 |
| Physical plant and equipment | 575,659 | - | 575,659 |
| School infrastructure | 3,002,677 | - | 3,002,677 |
| Debt service and reserve | 3,053,844 | - | 3,053,844 |
| Student activities | 615,268 | - | 615,268 |
| Unrestricted | (52,600,699) | 303,912 | (52,296,787) |
| Total net position | <u>\$ 80,824,747</u> | <u>\$ 1,752,946</u> | <u>\$ 82,577,693</u> |

See accompanying notes to the basic financial statements.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|---|-----------------------|-----------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 74,049,991 | \$ 1,614,268 | \$ 20,484,026 | \$ 43,666 |
| Special programs | 38,067,091 | 985,852 | 10,697,500 | - |
| Other | 6,388,457 | 590,827 | 25,701 | - |
| Support services: | | | | |
| Student support | 4,618,798 | - | - | - |
| Instructional staff | 13,335,368 | - | 1,014,191 | - |
| Administration | 12,693,814 | - | - | - |
| Operations and maintenance | 11,589,683 | - | - | - |
| Student transportation | 4,870,028 | 27,469 | 282,355 | - |
| Debt service: | | | | |
| Interest and other charges | 3,546,964 | - | - | - |
| Total governmental activities | <u>\$ 169,160,194</u> | <u>\$ 3,218,416</u> | <u>\$ 32,503,773</u> | <u>\$ 43,666</u> |
| Business-type activities: | | | | |
| School Nutrition | \$ 7,934,910 | \$ 2,071,322 | \$ 6,139,984 | \$ - |
| Total business-type activities | <u>\$ 7,934,910</u> | <u>\$ 2,071,322</u> | <u>\$ 6,139,984</u> | <u>\$ -</u> |
| Total school district | <u>\$ 177,095,104</u> | <u>\$ 5,289,738</u> | <u>\$ 38,643,757</u> | <u>\$ 43,666</u> |
| General revenues: | | | | |
| Property taxes | | | | |
| Income surtaxes | | | | |
| Statewide sales, services and use tax | | | | |
| Interest | | | | |
| State aid not restricted to specific programs | | | | |
| Miscellaneous | | | | |
| Total general revenues | | | | |
| Change in net position | | | | |
| Net position - beginning of year as restated | | | | |
| Net position - end of year | | | | |

Net (Expense) Revenue and Changes in Net Position

| <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|-------------------------|
| \$ (51,908,031) | \$ - | \$ (51,908,031) |
| (26,383,739) | - | (26,383,739) |
| (5,771,929) | - | (5,771,929) |
| (4,618,798) | - | (4,618,798) |
| (12,321,177) | - | (12,321,177) |
| (12,693,814) | - | (12,693,814) |
| (11,589,683) | - | (11,589,683) |
| (4,560,204) | - | (4,560,204) |
| <u>(3,546,964)</u> | <u>-</u> | <u>(3,546,964)</u> |
| <u>\$ (133,394,339)</u> | <u>\$ -</u> | <u>\$ (133,394,339)</u> |
| | | |
| \$ - | \$ 276,396 | \$ 276,396 |
| \$ - | \$ 276,396 | \$ 276,396 |
| | | |
| <u>\$ (133,394,339)</u> | <u>\$ 276,396</u> | <u>\$ (133,117,943)</u> |
| | | |
| \$ 37,320,835 | \$ - | \$ 37,320,835 |
| 3,856,197 | - | 3,856,197 |
| 13,490,987 | - | 13,490,987 |
| 194,323 | 2,990 | 197,313 |
| 84,921,532 | - | 84,921,532 |
| <u>3,561,376</u> | <u>19,621</u> | <u>3,580,997</u> |
| | | |
| <u>\$ 143,345,250</u> | <u>\$ 22,611</u> | <u>\$ 143,367,861</u> |
| | | |
| \$ 9,950,911 | \$ 299,007 | \$ 10,249,918 |
| | | |
| <u>70,873,836</u> | <u>1,453,939</u> | <u>72,327,775</u> |
| | | |
| <u>\$ 80,824,747</u> | <u>\$ 1,752,946</u> | <u>\$ 82,577,693</u> |

SILOUX CITY COMMUNITY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

| <u>ASSETS</u> | <u>General</u> | <u>Management Fund</u> | <u>PPEL Fund</u> | <u>Sales Tax Fund</u> |
|---|----------------------|----------------------------|----------------------|---------------------------|
| Cash and pooled investments | \$ 41,474,521 | \$ 892,708 | \$ 529,241 | \$ 4,916,983 |
| Restricted cash and investments | - | - | - | 21,996,329 |
| Receivables: | | | | |
| Property taxes | 409,748 | 22,692 | 9,418 | - |
| Succeeding year property taxes | 32,785,473 | 2,100,000 | 816,108 | - |
| Interfund balance | 1,695,932 | - | - | 65,249 |
| Due from other governmental agencies | 9,105,908 | - | 37,000 | 2,788,399 |
| Other | 311,326 | - | - | - |
| Inventory | 6,811 | - | - | - |
| Total assets | <u>\$ 85,789,719</u> | <u>\$ 3,015,400</u> | <u>\$ 1,391,767</u> | <u>\$ 29,766,960</u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| <u>AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 11,161,626 | \$ 6,301 | \$ - | \$ 2,997,196 |
| Interfund balance | 170,420 | - | - | 1,987,585 |
| Accrued wages | 13,129,601 | - | - | - |
| Unearned revenue | 422,766 | - | - | - |
| Total liabilities | <u>\$ 24,884,413</u> | <u>\$ 6,301</u> | <u>\$ -</u> | <u>\$ 4,984,781</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenues: | | | | |
| Succeeding year property tax | \$ 32,785,473 | \$ 2,100,000 | \$ 816,108 | \$ - |
| Other | 3,936,952 | - | - | 709,637 |
| Total deferred inflows of resources | <u>\$ 36,722,425</u> | <u>\$ 2,100,000</u> | <u>\$ 816,108</u> | <u>\$ 709,637</u> |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Inventory | \$ 6,811 | \$ - | \$ - | \$ - |
| Restricted: | | | | |
| Categorical funding | 3,233,342 | - | - | - |
| Management levy purposes | - | 909,099 | - | - |
| Physical plant and equipment | - | - | 575,659 | - |
| School infrastructure | - | - | - | 16,302,573 |
| Debt service and debt reserve | - | - | - | 7,769,969 |
| Student activities | - | - | - | - |
| Unassigned | 20,942,728 | - | - | - |
| Total fund balances | <u>\$ 24,182,881</u> | <u>\$ 909,099</u> | <u>\$ 575,659</u> | <u>\$ 24,072,542</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 85,789,719</u> | <u>\$ 3,015,400</u> | <u>\$ 1,391,767</u> | <u>\$ 29,766,960</u> |

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 in the funds.

Other long-term assets are not available to pay for current period expenditures and, therefore are reported as unavailable revenue in the funds.

The internal service fund is used by management to charge the costs of self-insured dental insurance to individual funds.

Assets and liabilities of the internal service fund of \$1,266,785 are included in governmental activities in the statement of net position, net of \$49,914 allocated to business-type activities.

Debt related deferred outflows are not due and payable in the current period and therefore are not reported in the funds

Accrued interest on long-term debt not reported on the modified accrual basis of accounting.

Accrued expenses from the statement of net assets that are not reported on the modified accrual basis fund balance sheet.

Net OPEB obligation

Accrued compensation

Compensated absences

Net pension liability

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

Deferred inflows of resources

Long-term debt is not due and payable in the current period and therefore is not reported in the funds.

Net position of governmental activities (page 14)

See accompanying notes to the basic financial statements.

| <u>Energy Efficiency Project Fund</u> | <u>Debt Service</u> | <u>Nonmajor Activity Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|---------------------------------------|---|
| \$ - | \$ 45,460 | \$ 890,638 | \$ 48,749,551 |
| - | 2,858,843 | - | 24,855,172 |
| - | - | - | 441,858 |
| - | - | - | 35,701,581 |
| 425,879 | 144,202 | 105,171 | 2,436,433 |
| - | - | 4,725 | 11,936,032 |
| - | - | 4,588 | 315,914 |
| - | - | - | 6,811 |
| <u>\$ 425,879</u> | <u>\$ 3,048,505</u> | <u>\$ 1,005,122</u> | <u>\$ 124,443,352</u> |

| | | | |
|-------------------|-------------------|-------------------|----------------------|
| \$ 425,879 | \$ 145,602 | \$ 111,426 | \$ 14,848,030 |
| - | - | 278,428 | 2,436,433 |
| - | - | - | 13,129,601 |
| - | - | - | 422,766 |
| <u>\$ 425,879</u> | <u>\$ 145,602</u> | <u>\$ 389,854</u> | <u>\$ 30,836,830</u> |

| | | | |
|-------------|-------------|-------------|----------------------|
| \$ - | \$ - | \$ - | \$ 35,701,581 |
| - | - | - | 4,646,589 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 40,348,170</u> |

| | | | |
|-------------|---------------------|-------------------|----------------------|
| \$ - | \$ - | \$ - | \$ 6,811 |
| - | - | - | 3,233,342 |
| - | - | - | 909,099 |
| - | - | - | 575,659 |
| - | - | - | 16,302,573 |
| - | 2,902,903 | - | 10,672,872 |
| - | - | 615,268 | 615,268 |
| - | - | - | 20,942,728 |
| <u>\$ -</u> | <u>\$ 2,902,903</u> | <u>\$ 615,268</u> | <u>\$ 53,258,352</u> |

| | | | |
|-------------------|---------------------|---------------------|--|
| <u>\$ 425,879</u> | <u>\$ 3,048,505</u> | <u>\$ 1,005,122</u> | |
|-------------------|---------------------|---------------------|--|

\$ 202,734,518

4,646,589

1,216,871

363,589

(751,914)

(15,023,000)

(100,000)

(526,026)

(54,740,834)

12,562,377

(20,876,578)

(101,939,197)

\$ 80,824,747

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

| | <u>General</u> | <u>Management Fund</u> | <u>PPEL Fund</u> |
|---|-----------------------|----------------------------|----------------------|
| Revenues: | | | |
| Local sources | \$ 42,445,761 | \$ 1,903,916 | \$ 810,280 |
| State sources | 109,670,474 | 41,591 | 16,981 |
| Federal sources | 8,408,725 | - | - |
| Total revenues | <u>\$ 160,524,960</u> | <u>\$ 1,945,507</u> | <u>\$ 827,261</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | \$ 68,484,260 | \$ 612,048 | \$ - |
| Special programs | 34,017,741 | - | - |
| Other | 4,823,627 | - | - |
| Support services: | | | |
| Student support | 4,695,133 | - | - |
| Instructional staff | 10,891,637 | - | 399,230 |
| Administration | 11,173,018 | 1,476,395 | - |
| Operations and maintenance | 11,685,685 | - | 298,673 |
| Student transportation | 4,471,606 | - | 409,608 |
| Capital outlay: | | | |
| Site and site improvements | - | - | - |
| Buildings and improvements | - | - | 540,244 |
| Debt service: | | | |
| Principal | - | - | - |
| Interest and other charges | - | - | - |
| Payment to refunded bond escrow agent | - | - | - |
| Intergovernmental: | | | |
| AEA flow through | 6,246,584 | - | - |
| Total expenditures | <u>\$ 156,489,291</u> | <u>\$ 2,088,443</u> | <u>\$ 1,647,755</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 4,035,669</u> | <u>\$ (142,936)</u> | <u>\$ (820,494)</u> |
| Other financing sources (uses): | | | |
| Bonds and notes issued | \$ 1,276,835 | \$ - | \$ - |
| Refunding bonds issued | - | - | - |
| Premium on bonds issued | - | - | - |
| Refinancing of debt | - | - | - |
| Payment to refunded bond escrow agent | - | - | - |
| Transfers in | 39,363 | - | 3,570 |
| Transfers out | (2,132,486) | (39,363) | - |
| Total other financing sources (uses) | <u>\$ (816,288)</u> | <u>\$ (39,363)</u> | <u>\$ 3,570</u> |
| Net change in fund balances | \$ 3,219,381 | \$ (182,299) | \$ (816,924) |
| Fund balances - beginning of year | <u>20,963,500</u> | <u>1,091,398</u> | <u>1,392,583</u> |
| Fund balances - end of year | <u>\$ 24,182,881</u> | <u>\$ 909,099</u> | <u>\$ 575,659</u> |

| <u>Sales Tax Fund</u> | <u>Energy Efficiency Project Fund</u> | <u>Debt Service</u> | <u>Nonmajor Activity Funds</u> | <u>Total Governmental Funds</u> |
|---------------------------|---|-------------------------|--|---|
| \$ 70,919 | \$ - | \$ 88,324 | \$ 1,702,637 | \$ 47,021,837 |
| 13,402,877 | - | - | - | 123,131,923 |
| - | - | - | - | 8,408,725 |
| <u>\$ 13,473,796</u> | <u>\$ -</u> | <u>\$ 88,324</u> | <u>\$ 1,702,637</u> | <u>\$ 178,562,485</u> |
| | | | | |
| \$ 273,521 | \$ - | \$ - | \$ - | \$ 69,369,829 |
| - | - | - | - | 34,017,741 |
| - | - | - | 1,568,290 | 6,391,917 |
| - | - | - | - | 4,695,133 |
| 650,978 | - | - | - | 11,941,845 |
| - | - | - | - | 12,649,413 |
| 111,445 | - | - | - | 12,095,803 |
| - | - | - | 66,227 | 4,947,441 |
| 10,447,114 | - | - | - | 10,447,114 |
| 7,589,108 | 1,785,378 | - | - | 9,914,730 |
| - | - | 3,329,051 | - | 3,329,051 |
| 385,242 | - | 3,332,650 | - | 3,717,892 |
| - | - | 1,000,000 | - | 1,000,000 |
| - | - | - | - | 6,246,584 |
| <u>\$ 19,457,408</u> | <u>\$ 1,785,378</u> | <u>\$ 7,661,701</u> | <u>\$ 1,634,517</u> | <u>\$ 190,764,493</u> |
| | | | | |
| <u>\$ (5,983,612)</u> | <u>\$ (1,785,378)</u> | <u>\$ (7,573,377)</u> | <u>\$ 68,120</u> | <u>\$ (12,202,008)</u> |
| | | | | |
| \$ 28,084,290 | \$ - | \$ - | \$ - | \$ 29,361,125 |
| - | - | 29,781,710 | - | 29,781,710 |
| 573,317 | - | 865,963 | - | 1,439,280 |
| - | - | (21,330,000) | - | (21,330,000) |
| - | - | (9,363,589) | - | (9,363,589) |
| 195,684 | 1,785,378 | 8,257,269 | - | 10,281,264 |
| (7,982,004) | - | (127,411) | - | (10,281,264) |
| <u>\$ 20,871,287</u> | <u>\$ 1,785,378</u> | <u>\$ 8,083,942</u> | <u>\$ -</u> | <u>\$ 29,888,526</u> |
| | | | | |
| \$ 14,887,675 | \$ - | \$ 510,565 | \$ 68,120 | \$ 17,686,518 |
| 9,184,867 | - | 2,392,338 | 547,148 | 35,571,834 |
| <u>\$ 24,072,542</u> | <u>\$ -</u> | <u>\$ 2,902,903</u> | <u>\$ 615,268</u> | <u>\$ 53,258,352</u> |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds (page 20) \$ 17,686,518

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 not reported in the statement of activities 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 | \$ 21,002,820 | |
| Depreciation | (6,747,091) | |
| Loss on sale of capital assets | <u>(357,708)</u> | 13,898,021 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 546,511

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 it is due. In the statement of activities interest expense is recognized as the interest accrues, regardless of when it is due. (53,836)

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 8,575,515

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:

| | | |
|---|----------------|-------------|
| Increase in other post employment benefits obligation | \$ (1,117,000) | |
| Pension expense | (4,325,286) | |
| Increase in accrued compensation | (100,000) | |
| Decrease in compensated absences | <u>158,200</u> | (5,384,086) |

Internal service funds are used by management to charge the costs of the self-insured dental insurance program to the individual funds. Net income of the internal service fund of \$19,609 is reported with governmental activities, net of \$2,630 allocated to business-type activities. 16,979

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred in and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|--|-----------------|--------------|
| Bonds issued | \$ (29,361,125) | |
| Refunding bonds issued | (29,781,710) | |
| Premium on bonds issued | (1,439,280) | |
| Bonds refunded | 21,330,000 | |
| Payment to refunded bonds escrow agent | 10,363,589 | |
| Bond principal retirement | 3,329,051 | |
| Amortization of bond premiums | <u>224,764</u> | (25,334,711) |

Change in net position of governmental activities (page 16) \$ 9,950,911

See accompanying notes to the basic financial statements.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2015

| | <u>Business-Type Activities</u> | <u>Governmental Activities</u> |
|---|--------------------------------------|--------------------------------------|
| | <u>School Nutrition Fund</u> | <u>Internal Service Fund</u> |
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash and pooled investments | \$ 1,517,105 | \$ 1,320,555 |
| Receivables: | | |
| Other | 153,467 | - |
| Inventory | <u>325,436</u> | <u>-</u> |
| Total current assets | \$ 1,996,008 | \$ 1,320,555 |
| Non-current assets: | | |
| Machinery and equipment net of accumulated depreciation | <u>1,449,034</u> | <u>-</u> |
| Total assets | <u>\$ 3,445,042</u> | <u>\$ 1,320,555</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | |
| Pension related deferred outflows | <u>\$ 318,297</u> | <u>\$ -</u> |
| <u>LIABILITIES</u> | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 100,406 | \$ - |
| Accrued wages | 44,849 | - |
| Self-insurance claims payable | <u>-</u> | <u>53,770</u> |
| Total current liabilities | <u>\$ 145,255</u> | <u>\$ 53,770</u> |
| Noncurrent liabilities: | | |
| Net pension liability | <u>\$ 1,386,341</u> | <u>\$ -</u> |
| Total liabilities | <u>\$ 1,531,596</u> | <u>\$ 53,770</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | |
| Pension related deferred inflows | <u>\$ 528,711</u> | <u>\$ -</u> |
| <u>NET POSITION</u> | | |
| Investment in capital assets | \$ 1,449,034 | |
| Unrestricted | <u>253,998</u> | |
| Total net position | \$ 1,703,032 | <u>\$ 1,266,785</u> |
| Reconciliation to government-wide statement of net position: | | |
| Adjustment to reflect the consolidation of applicable internal service fund activities to enterprise funds | <u>49,914</u> | |
| Net position of business-type activities (page 14) | <u>\$ 1,752,946</u> | |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

| | <u>Business-Type Activities</u> | <u>Governmental Activities</u> |
|--|--------------------------------------|--------------------------------------|
| | <u>School Nutrition Fund</u> | <u>Internal Service Fund</u> |
| Operating revenues: | | |
| Charges for services | \$ 2,071,322 | \$ 1,012,876 |
| Miscellaneous | 19,621 | - |
| Total operating revenues | \$ 2,090,943 | \$ 1,012,876 |
| Operating expenses: | | |
| Non-instructional programs: | | |
| Salaries | \$ 2,501,718 | \$ - |
| Employee benefits | 547,266 | 878,676 |
| Supplies | 4,311,883 | - |
| Purchased services | 240,485 | 116,700 |
| Depreciation | 217,045 | - |
| Other | 119,143 | - |
| Total operating expenses | \$ 7,937,540 | \$ 995,376 |
| Operating income (loss) | \$ (5,846,597) | \$ 17,500 |
| Non-operating revenues and expenses: | | |
| Federal food commodities | \$ 615,621 | \$ - |
| State sources | 60,469 | - |
| Federal sources | 5,463,894 | - |
| Interest income | 2,990 | 2,109 |
| Total non-operating revenues | \$ 6,142,974 | \$ 2,109 |
| Change in net position | \$ 296,377 | \$ 19,609 |
| Net position - beginning as restated | 1,406,655 | 1,247,176 |
| Net position - ending | \$ 1,703,032 | \$ 1,266,785 |
| Reconciliation to government-wide statement of activities: | | |
| Change in net position | \$ 296,377 | |
| Adjustment to reflect the consolidation of applicable internal service fund activities to enterprise funds | 2,630 | |
| Change in net position of business-type activities (page 16) | \$ 299,007 | |

SIoux CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

| | <u>Business-Type Activities</u> | <u>Governmental Activities</u> |
|---|--------------------------------------|--------------------------------------|
| | <u>School Nutrition Fund</u> | <u>Internal Service Fund</u> |
| Cash flows from operating activities: | | |
| Cash received from customers or premiums | \$ 2,087,399 | \$ 1,012,876 |
| Cash payments for salaries and benefits | (3,143,688) | - |
| Cash payments for insurance premiums and services | (4,086,850) | (1,083,145) |
| Net cash used by operating activities | <u>\$ (5,143,139)</u> | <u>\$ (70,269)</u> |
| Cash flows from non-capital financing activities: | | |
| Due to other funds | \$ 332 | \$ 538,487 |
| Federal and state grants received | 5,502,731 | - |
| Net cash provided by non-capital financing activities | <u>\$ 5,503,063</u> | <u>\$ 538,487</u> |
| Cash flows from capital and related financing activities: | | |
| Acquisition of capital assets | \$ (86,437) | \$ - |
| Net cash used by capital and related financing activities | <u>\$ (86,437)</u> | <u>\$ -</u> |
| Cash flows from investing activities: | | |
| Interest on investments | \$ 2,990 | \$ 2,109 |
| Net increase in cash and pooled investments | \$ 276,477 | \$ 470,327 |
| Cash and pooled investments - beginning of year | 1,240,628 | 850,228 |
| Cash and pooled investments - end of year | <u>\$ 1,517,105</u> | <u>\$ 1,320,555</u> |
| Reconciliation of operating income (loss) to net cash used by operating activities: | | |
| Operating income (loss) | \$ (5,846,597) | \$ 17,500 |
| Depreciation | 217,045 | - |
| Commodities used | 615,899 | - |
| Changes in assets and liabilities: | | |
| Accounts receivable | (3,546) | - |
| Inventory | (47,551) | - |
| Deferred outflows of resources | (114,032) | - |
| Accounts payable | 16,314 | (84,004) |
| Accrued wages | 13,084 | - |
| Claims payable | - | (3,765) |
| Net pension liability | (522,466) | - |
| Deferred inflows of resources | 528,711 | - |
| Net cash used by operating activities | <u>\$ (5,143,139)</u> | <u>\$ (70,269)</u> |
| Supplemental schedule of non-cash items; non-capital financing activities: | | |
| Federal food commodities received | <u>\$ 615,621</u> | |

See accompanying notes to the basic financial statements.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The District is a political subdivision of the State of Iowa and operates public schools for children in grades pre-kindergarten through twelve. The District's geographic boundary includes most of the city limits of Sioux City and a small portion of residential and agricultural land to the north in Plymouth County. 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, the 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. 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 District has no component units that meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in jointly governed organizations that provide services to the District but do 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 Woodbury County Assessor's Conference Board and the Plymouth County 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 activities of the District. For the most part, the effect of interfund 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 services.

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 the following 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. Net investment in capital assets, excludes unspent debt proceeds.

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Restricted net position result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislations.

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

Net position restricted through enabling legislation as of June 30, 2015 consists of \$909,099 for management levy, \$575,659 for physical plant and equipment levy, and \$3,002,677 for statewide sales tax.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those 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 and proprietary funds. 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 determined all funds to be major funds except for the special revenue activity fund.

Fund Accounting - The accounts of the District are organized on the basis of funds each of which is considered to be a separate accounting entity with a self-balancing set of accounts. The District has the following funds:

Governmental Fund Types - Governmental funds are those through which most District functions are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities, except those accounted for in proprietary funds, are accounted for through governmental funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the District's major governmental funds.

General Fund - The General Fund is used to account for and report all financial resources not accounted for or reported in another fund.

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

Management Fund - Accounts for property tax levies in the District for liability insurance premiums including workers' compensation, unemployment compensation, insurance claims, post-retirement medical insurance, and legal settlements.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Capital Projects Fund - Accounts for financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Physical Plant and Equipment Fund - Accounts for a regular levy of thirty-three cents per thousand dollars of assessed valuation in the District for use in purchase of equipment and repairing and improving schoolhouse buildings and grounds.

Sales Tax Fund - Accounts for statewide sales, services and use tax revenues that are to be recorded in a separate fund according to guidance from the Iowa Department of Education. Expenditures are to be used for capital projects as described above in accordance with the election proposition.

Energy Efficiency Projects Fund - Accounts for the resources restricted for energy conservation and management measure capital outlay pursuant to Iowa Code Section 473.13A.

Debt Service Fund - Accounts for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Fund Types - Proprietary funds are used to account for the District's ongoing activities which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. The funds included in this category and their purposes are as follows:

Enterprise Fund - The Enterprise Fund is used to account for operations: (a) which are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The major fund included in this category and its purpose is as follows:

School Nutrition Fund - Accounts for the food service operations of the District.

Internal Service Fund - The Internal Service Fund is used to account for the financing of goods or services provided by one department to other departments of the District, on a cost reimbursement basis. The fund included in this category and its purpose is as follows:

Dental Insurance Fund - Accounts for the revenue and expenses related to the District's self-insurance plan for dental insurance.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as interfund balances on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund balances between governmental funds and proprietary funds remain as interfund balances on the Government-Wide Statement of Net Position.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary 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 District considers revenues to be available if they are collected within 60 days after year end.

Property tax when levied for, intergovernmental revenues when eligibility requirements have been met (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be measurable and are recorded as revenue, if available. 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.

Revenue from federal and state grants and similar programs are recognized when the District has done everything necessary to establish its right to the revenue. Usually this is at the time the expenditure has been incurred for an authorized purpose. When there are both restricted and unrestricted net position available, it is the District's policy to first apply restricted resources and then unrestricted resources.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities, and Fund Equity

Cash and Pooled Investments - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For the purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Property Taxes Receivable - Property taxes in governmental fund types are accounted for using the modified accrual basis of accounting. Property taxes 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 to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes for the current year. The succeeding year property taxes 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 Board of Education is required to certify its budget to the County Auditor by April 15 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 taxes 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 percent 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 Governmental Agencies - Due from other governmental agencies represents amounts due from the State of Iowa, other school districts, and other various grants, reimbursements and shared revenues.

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Interfund Balances - During the course of its operations, the District has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts payable or receivable have been recorded.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and contributed value for government commodities. Inventories are accounted for using the consumption method whereby inventory acquisitions are recorded in inventory accounts when purchased or received by other means and charged to operations when consumed or sold.

Capital Assets - Capital assets, which include land; site and site improvements; buildings; machinery and equipment; construction in progress; and intangibles are reported in the government-wide financial statements and the proprietary funds' financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more (\$1,000 or more for the School Nutrition Fund) and an estimated useful life of more than one year. Library holdings and textbooks are capitalized annually by the District based on its aggregated costs. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

| | |
|--------------------------------|--------------|
| Buildings | 50 years |
| Site and site improvements | 20 years |
| Library holdings and textbooks | 5 - 10 years |
| Machinery and equipment | 5 - 20 years |
| Intangibles | 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. Pension related 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. The deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Salaries and Benefits Payable - Payroll and the related payroll taxes and benefits which are payable in July and August 2015 for teachers with annual contracts corresponding to the school year just ended have been accrued as a liability for the year ended June 30, 2015.

Unearned Revenue - Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collectible within the current period or 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 were not collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources consist of the succeeding year's property taxes receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consists of the succeeding year's property taxes 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 - Vested or accumulated vacation leave (compensated absences) and the related employee benefits are reported as liabilities when incurred in the Government-Wide Statement of Net Position. Compensated absences can only be carried over for one year and therefore are recorded as short-term liabilities. In the governmental fund statements the liability for these amounts is recorded only for employees that have resigned or retired. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

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. Bond premiums and discounts are amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and bond issuance costs through current year operations. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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

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

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Unassigned - All amounts not included in other spendable classifications.

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

Management Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as required supplementary information. During the year ended June 30, 2015, expenditures in the support services functional area exceeded the amounts budgeted.

NOTE 2 - CASH AND INVESTMENTS:

The District's deposits in banks at June 30, 2015, were entirely covered by federal depository insurance, collateralized with securities or letters of credit held by the District or the District's agent in the District's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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 highly 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.

As of June 30, 2015, the District's cash and investments were as follows:

| | <u>Cash and Pooled Investments</u> | <u>Restricted Cash and Investments</u> |
|---|--|--|
| Cash | \$ 51,586,238 | \$ 21,996,329 |
| Iowa School Joint Investment Trust - Diversified Portfolio | 973 | - |
| U.S. Treasury Notes | - | <u>2,858,843</u> |
| Total | <u>\$ 51,587,211</u> | <u>\$ 24,855,172</u> |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 2 - CASH AND INVESTMENTS (CONTINUED):

The Iowa Schools Joint Investment Trust (ISJIT) is a common law trust established under Iowa law pursuant to Chapter 28E and Section 279.29 of the Iowa Code, as amended. ISJIT is a Standard & Poor's rated money market fund pursuant to the requirements of Iowa Code Section 12B.10. The investment in the Iowa Schools Joint Investment Trust - Diversified Portfolio is valued at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The Iowa Schools Joint Investment Trust is governed by a six member Board of Trustees and is not registered with the Securities and Exchange Commission (SEC); however the Board of Trustees follows investment procedures similar to the investment procedures followed by SEC registered money market mutual funds.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely effect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature with 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions.

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy does not formally address credit risk. Standard & Poor's assigned its AAAM principal stability fund rating to the Iowa Schools Joint Investment Trust - Diversified Portfolio. The U.S. Treasury Notes were rated AA+ as of June 30, 2015 by Standard & Poor's.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL AGENCIES:

The detail of due from other governmental agencies for the year ended June 30, 2015 is as follows:

| | |
|--|----------------------|
| Due from the State of Iowa - Federal sources | \$ 3,557,066 |
| Due from the State of Iowa - State sources | 3,338,593 |
| Due from the State of Iowa - Local sources | 3,658,143 |
| Due from other districts | 580,973 |
| Due from other sources | <u>801,257</u> |
| | <u>\$ 11,936,032</u> |

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS:

A summary of changes in the capital assets for the year ended June 30, 2015 is as follows:

| | <u>Balance</u> <u>July 1, 2014</u> | <u>Additions</u> | <u>Transfers</u> | <u>Retirements</u> | <u>Balance</u> <u>June 30, 2015</u> |
|--|---------------------------------------|-----------------------|------------------------|-----------------------|--|
| Governmental activities: | | | | | |
| Capital assets not being depreciated/amortized: | | | | | |
| Construction in progress | \$ 27,707,074 | \$ 18,170,053 | \$ (15,408,393) | \$ - | \$ 30,468,734 |
| Land | <u>9,505,590</u> | <u>1,041,647</u> | <u>-</u> | <u>-</u> | <u>10,547,237</u> |
| Total capital assets not being depreciated/amortized | <u>\$ 37,212,664</u> | <u>\$ 19,211,700</u> | <u>\$ (15,408,393)</u> | <u>\$ -</u> | <u>\$ 41,015,971</u> |
| Capital assets being depreciated/amortized: | | | | | |
| Sites and site improvements | \$ 10,424,754 | \$ 56,478 | \$ 481,192 | \$ (126,494) | \$ 10,835,930 |
| Buildings | 178,661,723 | 154,237 | 14,119,196 | (726,722) | 192,208,434 |
| Library holdings | 11,116,667 | 96,130 | - | - | 11,212,797 |
| Textbooks | 11,669,777 | 735,920 | - | - | 12,405,697 |
| Machinery and equipment | 24,311,079 | 748,355 | 808,005 | (261,300) | 25,606,139 |
| Intangible assets | <u>675,564</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>675,564</u> |
| Total capital assets being depreciated/amortized | <u>\$ 236,859,564</u> | <u>\$ 1,791,120</u> | <u>\$ 15,408,393</u> | <u>\$ (1,114,516)</u> | <u>\$ 252,944,561</u> |
| Less accumulated depreciation/amortization: | | | | | |
| Sites and site improvements | \$ (4,924,970) | \$ (475,186) | \$ - | \$ 77,000 | \$ (5,323,156) |
| Buildings | (42,885,783) | (4,170,848) | - | 418,508 | (46,638,123) |
| Library holdings | (10,806,738) | (150,146) | - | - | (10,956,884) |
| Textbooks | (10,027,674) | (623,685) | - | - | (10,651,359) |
| Machinery and equipment | (16,227,646) | (1,202,734) | - | 261,300 | (17,169,080) |
| Intangible assets | <u>(362,920)</u> | <u>(124,492)</u> | <u>-</u> | <u>-</u> | <u>(487,412)</u> |
| Total accumulated depreciation/amortization | <u>\$ (85,235,731)</u> | <u>\$ (6,747,091)</u> | <u>\$ -</u> | <u>\$ 756,808</u> | <u>\$ (91,226,014)</u> |
| Total net capital assets being depreciated/amortized | <u>\$ 151,623,833</u> | <u>\$ (4,955,971)</u> | <u>\$ 15,408,393</u> | <u>\$ (357,708)</u> | <u>\$ 161,718,547</u> |
| Governmental activities capital assets, net | <u>\$ 188,836,497</u> | <u>\$ 14,255,729</u> | <u>\$ -</u> | <u>\$ (357,708)</u> | <u>\$ 202,734,518</u> |
| Business-type activities: | | | | | |
| Capital assets being depreciated: | | | | | |
| Machinery and equipment | \$ 2,865,056 | \$ 86,437 | \$ - | \$ - | \$ 2,951,493 |
| Total capital assets being depreciated | <u>\$ 2,865,056</u> | <u>\$ 86,437</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,951,493</u> |
| Less accumulated depreciation: | | | | | |
| Machinery and equipment | \$ (1,285,414) | \$ (217,045) | \$ - | \$ - | \$ (1,502,459) |
| Total accumulated depreciation | <u>\$ (1,285,414)</u> | <u>\$ (217,045)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1,502,459)</u> |
| Business-type activities capital assets, net | <u>\$ 1,579,642</u> | <u>\$ (130,608)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,449,034</u> |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS (CONTINUED):

Depreciation expense was charged to the District's functions as follows:

| | | |
|--|--|---------------------|
| Governmental activities: | | |
| Instruction: | | |
| Regular | | \$ 5,634,045 |
| Special programs | | 4,381 |
| Other | | 190,415 |
| Support services: | | |
| Student support | | 33,967 |
| Instructional staff | | 96,336 |
| Administration | | 105,318 |
| Operations and maintenance | | 261,548 |
| Transportation | | 421,081 |
| Total | | <u>\$ 6,747,091</u> |
| Business-type activities, school nutrition | | <u>\$ 217,045</u> |

NOTE 5 - BONDED AND OTHER LONG-TERM DEBT:

During the year ended June 30, 2015 the following changes occurred in long-term debt:

| | <u>Balance</u> <u>July 1, 2014</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>June 30, 2015</u> | <u>Due Within</u> <u>One Year</u> |
|---------------------------------------|---------------------------------------|----------------------|----------------------|--|--------------------------------------|
| Governmental activities: | | | | | |
| Sales tax revenue bonds | \$ 76,015,000 | \$ 57,866,000 | \$ 34,390,000 | \$ 99,491,000 | \$ 595,000 |
| General obligation capital loan notes | 175,000 | 1,276,835 | 269,051 | 1,182,784 | 83,132 |
| Unamortized premiums | <u>50,897</u> | <u>1,439,280</u> | <u>224,764</u> | <u>1,265,413</u> | <u>-</u> |
| | <u>\$ 76,240,897</u> | <u>\$ 60,582,115</u> | <u>\$ 34,883,815</u> | <u>\$ 101,939,197</u> | <u>\$ 678,132</u> |

Sales Tax Revenue Bonds - In November 2009 the District issued \$7,500,000 Taxable School Infrastructure Sales, Services and Use Tax Revenue Bonds (Qualified School Construction Bonds), Series 2009 for the purpose of providing funds to equip, rehabilitate and repair schools. The Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the statewide sales, services and use tax revenues and by certain other amounts held under the Bond Resolution. The Bonds mature on October 1, 2025 and bear interest at the rate of 2.68 percent payable beginning April 1, 2010 and semiannually thereafter on the first day of January and July. The outstanding principal balance at June 30, 2015 is \$7,500,000.

In September 2010 the District issued \$15,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2010 for the purpose of providing funds to finance various construction projects for District facilities. The Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the statewide sales, services and use tax revenues and by the Reserve Fund and certain other amounts held under the Bond Resolution. Principal will be payable semi-annually on each April 1 and October 1 beginning April 1, 2028 and interest payable semi-annually carrying a rate of 4.00 percent beginning April 1, 2011. The Bonds will mature on October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2015 is \$15,000,000.

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 5 - BONDED AND OTHER LONG-TERM DEBT (CONTINUED):

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 finance various construction projects for District facilities. The Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the statewide sales, services and use tax revenues and by the Reserve Fund and certain other amounts held under the Bond Resolution. Principal will be payable semi-annually on each April 1 and October 1 beginning October 1, 2026 and interest payable semi-annually carrying rates of 3.00 to 3.25 percent beginning October 1, 2012. The Bonds will mature April 1 and October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2015 is \$10,000,000.

In September 2013 the District issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2013 for the purpose of providing funds to finance various construction projects for District facilities. The Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the statewide sales, services and use tax revenues and by the Reserve Fund and certain other amounts held under the Bond Resolution. Principal will be payable semi-annually on each April 1 and October 1 beginning April 1, 2014 and interest payable semi-annually carrying rates of 2.00 to 4.125 percent beginning April 1, 2014. The Bonds will mature April 1 and October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2015 is \$9,125,000.

In September 2014 the District issued \$33,375,000 School Infrastructure Sales, Services, and Use Tax Revenue Bonds, Series 2014 to current refund the Series 2006 and Series 2007 Sales Tax Revenue Bonds, and to provide funds to finance various construction projects for District facilities. The Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the statewide sales, services and use tax revenues and by the Reserve Fund and certain other amounts held under the Bond Resolution. Principal will be payable annually on each October 1 beginning October 1, 2016 and interest payable semi-annually carrying rates from 2.00 to 3.00 percent beginning April 1, 2015. The Bonds will mature on October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2015 is \$33,375,000.

In June 2015 the District issued \$15,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2015A for the purpose of providing funds to finance various construction projects for District facilities. The Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the statewide sales, services and use tax revenues and certain other amounts held under the Bond Resolution. Principal will be payable annually on each October 1 beginning October 1, 2016 and interest payable semi-annually carrying rate of 2.43 percent beginning October 1, 2015. The Bonds will mature on October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2015 is \$15,000,000.

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 5 - BONDED AND OTHER LONG-TERM DEBT (CONTINUED):

Due to market changes, in June 2015 the District issued \$9,491,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, Series 2015B to advance refund the District's \$10,000,000 Sales Tax Revenue Bonds Series 2008. The proceeds of \$10,363,589 (net of debt issue costs and including existing debt service funds) were deposited with an escrow agent to purchase direct obligations of the United States of America. The reacquisition price exceeded the net carrying amount of the old by \$363,589. This amount is being amortized over the remaining life of the new debt. As a result of the refunding, the District, reduced its aggregate debt service payments to maturity by \$2,313,511, and obtained an economic gain (difference between present value of the debt service payments on the old and new) debt of \$1,662,546. The outstanding principal balance at June 30, 2015 is \$9,491,000.

During the fiscal year ended June 30, 2015, the District defeased the \$10,000,000 Sales Tax Revenue Bonds, Series 2008 by placing the proceeds of the new bonds in a refunding trust agreement to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements, at June 30, 2015, \$10,000,000 of the bonds outstanding are considered defeased.

Annual principal and interest payments on the bonds are expected to require nearly 100 percent of the statewide sales, services and use tax revenues and are payable through 2030. The total principal and interest remaining to be paid on the bonds is \$128,116,835. For the current year, principal payments were \$3,060,000 and total interest paid on the bonds was \$2,919,247. Total statewide sales, services and use tax revenues were \$13,490,987.

General Obligation Capital Loan Notes - In June 2014 the District entered into a loan and disbursement agreement with Iowa Finance Authority (IFA) whereas the IFA provides financial assistance for the Iowa Energy Bank Loan Program including making loans to public sector entities for the purposes of the program. Under this agreement the IFA agrees to purchase the general obligation capital loan notes in order to make a loan to the District and will disburse the loan proceeds upon the District completing an approved request for reimbursement. In August 2014, the District entered into a loan agreement with IFA providing for the purchase of the District's issued \$2,500,000 Energy Management Improvement Capital Loan Note, Series 2014 to provide funds to finance the implementation of energy conservation and management measures pursuant to Iowa Code Section 473.13A. During the year ended June 30, 2015, \$1,276,835 was disbursed to the District. The notes are general obligations of the District and payments of interest and principal will be paid from monies budgeted annually and on hand in the General Fund. Principal will be payable semi-annually on each June 1 and December 1 and interest payable semi-annually beginning June 1, 2015. The note will mature on December 1, 2028 in the year and amount disclosed in the schedule following. The outstanding principal balance at June 30, 2015 is \$1,182,784.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 5 - BONDED AND OTHER LONG-TERM DEBT (CONTINUED):

Bond and Debt Maturities:

| <u>Qualified School Construction Bonds, Series 2009</u> | | | | |
|---|-----------------------|---------------------|---------------------|---------------------|
| <u>Year Ended</u> | <u>Interest Rates</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| <u>June 30,</u> | | | | |
| 2016 | 2.68% | \$ - | \$ 201,000 | \$ 201,000 |
| 2017 | 2.68% | - | 201,000 | 201,000 |
| 2018 | 2.68% | - | 201,000 | 201,000 |
| 2019 | 2.68% | - | 201,000 | 201,000 |
| 2020 | 2.68% | - | 201,000 | 201,000 |
| 2021-2025 | 2.68% | - | 1,005,000 | 1,005,000 |
| 2026 | 2.68% | <u>7,500,000</u> | <u>100,500</u> | <u>7,600,500</u> |
| Total | | <u>\$ 7,500,000</u> | <u>\$ 2,110,500</u> | <u>\$ 9,610,500</u> |

| <u>Sales Tax 2010</u> | | | | |
|-----------------------|-----------------------|----------------------|---------------------|----------------------|
| <u>Year Ended</u> | <u>Interest Rates</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| <u>June 30,</u> | | | | |
| 2016 | 4.00% | \$ - | \$ 600,000 | \$ 600,000 |
| 2017 | 4.00% | - | 600,000 | 600,000 |
| 2018 | 4.00% | - | 600,000 | 600,000 |
| 2019 | 4.00% | - | 600,000 | 600,000 |
| 2020 | 4.00% | - | 600,000 | 600,000 |
| 2021-2025 | 4.00% | - | 3,000,000 | 3,000,000 |
| 2026-2030 | 4.00% | <u>15,000,000</u> | <u>2,282,000</u> | <u>17,282,000</u> |
| Total | | <u>\$ 15,000,000</u> | <u>\$ 8,282,000</u> | <u>\$ 23,282,000</u> |

| <u>Sales Tax 2012</u> | | | | |
|-----------------------|-----------------------|----------------------|---------------------|----------------------|
| <u>Year Ended</u> | <u>Interest Rates</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| <u>June 30,</u> | | | | |
| 2016 | 3.00% | \$ - | \$ 308,548 | \$ 308,548 |
| 2017 | 3.00% | - | 308,548 | 308,548 |
| 2018 | 3.00% | - | 308,548 | 308,548 |
| 2019 | 3.00% | - | 308,548 | 308,548 |
| 2020 | 3.00% | - | 308,548 | 308,548 |
| 2021-2025 | 3.00% | - | 1,542,740 | 1,542,740 |
| 2026-2030 | 3.00% - 3.25% | <u>10,000,000</u> | <u>672,169</u> | <u>10,672,169</u> |
| Total | | <u>\$ 10,000,000</u> | <u>\$ 3,757,649</u> | <u>\$ 13,757,649</u> |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 5 - BONDED AND OTHER LONG-TERM DEBT (CONTINUED):

Sales Tax 2013

| <u>Year Ended</u> <u>June 30,</u> | <u>Interest Rates</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|-----------------------|---------------------|---------------------|----------------------|
| 2016 | 2.00% | \$ 595,000 | \$ 264,141 | \$ 859,141 |
| 2017 | 2.00% | 605,000 | 252,191 | 857,191 |
| 2018 | 2.00% | 625,000 | 239,991 | 864,991 |
| 2019 | 2.00% | 645,000 | 227,391 | 872,391 |
| 2020 | 2.10% - 2.30% | 665,000 | 214,226 | 879,226 |
| 2021-2025 | 2.30% - 3.70% | 3,375,000 | 785,110 | 4,160,110 |
| 2026-2030 | 3.70% - 4.125% | <u>2,615,000</u> | <u>166,580</u> | <u>2,781,580</u> |
| Total | | <u>\$ 9,125,000</u> | <u>\$ 2,149,630</u> | <u>\$ 11,274,630</u> |

Sales Tax 2014

| <u>Year Ended</u> <u>June 30,</u> | <u>Interest Rates</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|-----------------------|----------------------|---------------------|----------------------|
| 2016 | 2.00% | \$ - | \$ 975,000 | \$ 975,000 |
| 2017 | 3.00% | 2,625,000 | 948,750 | 3,573,750 |
| 2018 | 3.00% | 2,665,000 | 882,525 | 3,547,525 |
| 2019 | 3.00% | 2,715,000 | 801,825 | 3,516,825 |
| 2020 | 3.00% | 2,770,000 | 719,550 | 3,489,550 |
| 2021-2025 | 3.00% | 15,075,000 | 2,288,325 | 17,363,325 |
| 2026-2030 | 3.00% | <u>7,525,000</u> | <u>411,825</u> | <u>7,936,825</u> |
| Total | | <u>\$ 33,375,000</u> | <u>\$ 7,027,800</u> | <u>\$ 40,402,800</u> |

Sales Tax 2015A

| <u>Year Ended</u> <u>June 30,</u> | <u>Interest Rates</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|-----------------------|----------------------|---------------------|----------------------|
| 2016 | 2.43% | \$ - | \$ 298,650 | \$ 298,650 |
| 2017 | 2.43% | 25,000 | 367,196 | 392,196 |
| 2018 | 2.43% | 25,000 | 363,589 | 388,589 |
| 2019 | 2.43% | 50,000 | 362,678 | 412,678 |
| 2020 | 2.43% | 50,000 | 361,463 | 411,463 |
| 2021-2025 | 2.43% | 9,750,000 | 1,297,013 | 11,047,013 |
| 2026-2027 | 2.43% | <u>5,100,000</u> | <u>125,145</u> | <u>5,225,145</u> |
| Total | | <u>\$ 15,000,000</u> | <u>\$ 3,175,734</u> | <u>\$ 18,175,734</u> |

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 5 - BONDED AND OTHER LONG-TERM DEBT (CONTINUED):

| <u>Sales Tax 2015B</u> | | | | |
|--------------------------------------|-----------------------|---------------------|---------------------|----------------------|
| <u>Year Ended</u> <u>June 30,</u> | <u>Interest Rates</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2016 | 2.68% | \$ - | \$ 206,313 | \$ 206,313 |
| 2017 | 2.68% | 50,000 | 253,688 | 303,688 |
| 2018 | 2.68% | 50,000 | 252,348 | 302,348 |
| 2019 | 2.68% | 100,000 | 250,338 | 350,338 |
| 2020 | 2.68% | 930,000 | 236,536 | 1,166,536 |
| 2021-2025 | 2.68% | 5,044,000 | 789,581 | 5,833,581 |
| 2026-2028 | 2.68% | <u>3,317,000</u> | <u>133,718</u> | <u>3,450,718</u> |
| Total | | <u>\$ 9,491,000</u> | <u>\$ 2,122,522</u> | <u>\$ 11,613,522</u> |

| <u>General Obligation Capital Loan Notes</u> | | | | |
|--|-----------------------|---------------------|------------------|---------------------|
| <u>Year Ended</u> <u>June 30,</u> | <u>Interest Rates</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2016 | 1.00% | \$ 83,132 | \$ 10,685 | \$ 93,817 |
| 2017 | 1.00% | 83,005 | 10,812 | 93,817 |
| 2018 | 1.00% | 83,839 | 9,978 | 93,817 |
| 2019 | 1.00% | 84,681 | 9,136 | 93,817 |
| 2020 | 1.00% | 85,532 | 8,285 | 93,817 |
| 2021-2025 | 1.00% | 440,720 | 28,363 | 469,083 |
| 2026-2029 | 1.00% | <u>321,875</u> | <u>6,483</u> | <u>328,358</u> |
| Total | | <u>\$ 1,182,784</u> | <u>\$ 83,742</u> | <u>\$ 1,266,526</u> |

Summary of debt service requirements to maturity on the outstanding bonded indebtedness and loans as of June 30, 2015 is as follows:

| <u>Summary - Debt Service Requirements to Maturity</u> | | | |
|--|-----------------------|----------------------|-----------------------|
| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2016 | \$ 678,132 | \$ 2,864,337 | \$ 3,542,469 |
| 2017 | 3,388,005 | 2,942,185 | 6,330,190 |
| 2018 | 3,448,839 | 2,857,979 | 6,306,818 |
| 2019 | 3,594,681 | 2,760,916 | 6,355,597 |
| 2020 | 4,500,532 | 2,649,608 | 7,150,140 |
| 2021-2025 | 33,684,720 | 10,736,132 | 44,420,852 |
| 2026-2030 | <u>51,378,875</u> | <u>3,898,420</u> | <u>55,277,295</u> |
| Totals | <u>\$ 100,673,784</u> | <u>\$ 28,709,577</u> | <u>\$ 129,383,361</u> |

As of June 30, 2015, the District did not exceed its legal debt margin, computed as follows:

| | |
|---|-------------------------|
| Total assessed valuation | <u>\$ 3,693,224,374</u> |
| Debt limit, 5.0 percent of total assessed valuation | \$ 184,661,219 |
| Amount of debt applicable to debt limitation | <u>1,182,784</u> |
| Excess of debt limit over debt outstanding, legal debt margin | <u>\$ 183,478,435</u> |

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 6 - PENSION PLAN:

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, anytime 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.

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.

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 6 - PENSION PLAN (CONTINUED):

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 \$8,792,843.

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 \$56,127,175 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 1.415242 percent, which was an increase of 0.069300 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$4,434,827. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 609,994 | \$ - |
| Changes of assumptions | 2,477,019 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 21,405,289 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,000,818 | - |
| District contributions subsequent to the measurement date | <u>8,792,843</u> | <u>-</u> |
| Total | <u>\$ 12,880,674</u> | <u>\$ 21,405,289</u> |

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 6 - PENSION PLAN (CONTINUED):

\$8,792,843 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:

| <u>Year Ended June 30,</u> | |
|----------------------------|------------------------|
| 2016 | \$ (4,396,222) |
| 2017 | (4,396,222) |
| 2018 | (4,396,222) |
| 2019 | (4,396,222) |
| 2020 | <u>267,430</u> |
| Total | <u>\$ (17,317,458)</u> |

There were no non-employer contributing entities at IPERS.

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.

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 6 - PENSION PLAN (CONTINUED):

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> |
|------------------------|-------------------------|---|
| U.S. equity | 23% | 6.31 |
| Non U.S. 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 | 100% | |

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.

| | <u>1% Decrease (6.5%)</u> | <u>Discount Rate (7.5%)</u> | <u>1% Increase (8.5%)</u> |
|---|-------------------------------|---------------------------------|-------------------------------|
| District's proportionate share of the net pension liability | <u>\$ 106,050,720</u> | <u>\$ 56,127,175</u> | <u>\$ 13,986,530</u> |

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 \$701,584 for legally required employer contributions and \$467,460 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 7 - 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 educational agency. The District's actual amount for this purpose totaled \$6,246,584 for the year ended June 30, 2015. This amount is recorded in the General Fund by making an adjusting entry to the state revenue appropriations and to other expenditures, since the amount is deducted from the state foundation aid due to the District and is remitted directly to the area education agency.

NOTE 8 - RISK MANAGEMENT:

The 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 has had no significant reductions in insurance coverage from prior years. Settled claims for these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District maintained a self-insured dental care coverage program for its employees. Claims in excess of a self-insured retention amount are covered through third party specific stop-loss insurance. The liability for claims incurred but unpaid as of June 30, 2015 was actuarially estimated using actual covered employees, a historical average loss rate per employee, and a historically developed percentage of claims completed by month. A reconciliation of changes in the aggregate liability for claims during the years ended June 30, 2015 and 2014 is as follows:

| | <u>Year Ended June 30,</u> | |
|--|----------------------------|--------------------|
| | <u>2015</u> | <u>2014</u> |
| Unpaid claims, beginning of year | \$ 57,535 | \$ 2,300,000 |
| Incurred claims | 932,313 | 874,496 |
| Change in the estimate for claims of prior periods | - | (755,347) |
| Claims paid | <u>(936,078)</u> | <u>(2,361,614)</u> |
| Unpaid claims, end of year | <u>\$ 53,770</u> | <u>\$ 57,535</u> |

The District accounts for the self-insurance plan through an Internal Service Fund.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS:

Plan Description - The District sponsors a single-employer health care plan that provides medical and prescription drug benefits to all active and retired employees and their eligible dependents. All active employees, early retirees, and eligible dependents are covered under the Basic and Choice plans. The current policy for early retirees is as follows: a full-time employee must be a minimum of age 55 with 15 or more years of service with the District and be eligible to begin retirement through the Iowa Public Employees' Retirement System (IPERS) to participate in the retiree health plan. The District does not subsidize the cost of medical and prescription drug benefits for Medicare eligible retirees. The plan is administered by the District and the District has the authority to establish or amend the plan provisions or contribution requirements within the sections of the Iowa Code. The plan does not issue a stand-alone financial report.

Funding Policy - Contribution requirements are set by District policy as approved by the Board of Education. The District's funding policy has been revised over the past few years as shown in the following paragraphs. The net OPEB obligation is a governmental activities liability that is generally liquidated by the General Fund and Management Fund.

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

For pre July 1, 2010 retirees, the District subsidizes the premium equivalent cost of medical and prescription drug benefits for early retirees according to the policy in place in the year the employee retired. The District does not subsidize the costs of medical and prescription drug benefits for Medicare eligible retirees. Contributions may be required for both retiree and dependent coverage and are based on the current premium equivalent values and do not vary by active/retired status. The subsidy percentage that the District subsidizes for pre July 1, 2010 retirees are as follow:

| <u>Years of Service with the District</u> | <u>Percent Subsidy</u> |
|---|------------------------|
| 15-19 | 50% |
| 20-24 | 55% |
| 25-30 | 60% |
| 31+ | 65% |

In addition, the contribution rate paid by the District for service will be increased for the employee only (not dependents) for average banked sick leave days calculated by averaging the sick leave balance at the end of the final three years of employment per the following schedule.

| <u>Sick Days</u> | <u>Additional %</u> |
|------------------|---------------------|
| 71-90 Days | 2% |
| 91-110 Days | 4% |
| 111-130 Days | 6% |
| 131 + Days | 7% |

For post July 1, 2010 retirees, the District provides a flat dollar subsidy to be used towards retiree premiums. However, spouse coverage is access only. The following are the explicit subsidies that were available through July 1, 2012:

| <u>Years of Service with the District</u> | <u>Monthly Subsidy</u> |
|---|------------------------|
| 15-25 | \$300 |
| 26+ | \$400 |

For post July 1, 2012 retirees the District provides no subsidy to be used toward retiree premiums; therefore, coverage will be access only for both the retiree and dependents.

The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2015, the District contributed \$2,549,623 to the plan. Plan members receiving benefits contributed approximately \$692,803 or approximately 21 percent of the total premiums, through their required 2014-2015 monthly premiums as follows:

| | <u>Plan</u> | <u>Premium</u> |
|--------|-------------|----------------|
| Basic | | \$600 |
| Choice | | \$636 |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

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

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

| | |
|--|----------------------|
| Annual required contribution | \$ 3,597,093 |
| Interest on net OPEB obligation | 625,770 |
| Adjustment to annual required contribution | <u>(556,240)</u> |
| Annual OPEB cost | \$ 3,666,623 |
| Contributions and payments made | <u>(2,549,623)</u> |
| Increase in net OPEB obligation | \$ 1,117,000 |
| Net OPEB obligation - June 30, 2014 | <u>13,906,000</u> |
| Net OPEB obligation - June 30, 2015 | <u>\$ 15,023,000</u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows.

| <u>Fiscal Year</u> <u>Ended</u> | <u>Annual</u> <u>OPEB Cost</u> | <u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u> | <u>Net OPEB</u> <u>Obligation</u> |
|------------------------------------|-----------------------------------|---|--------------------------------------|
| 06/30/2013 | \$ 2,766,065 | 52.3% | \$ 12,510,000 |
| 06/30/2014 | \$ 3,660,813 | 61.9% | \$ 13,906,000 |
| 06/30/2015 | \$ 3,666,623 | 69.5% | \$ 15,023,000 |

Funded Status and Funding Progress - As of July 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$38.2 million, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$38.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$73.1 million and the ratio of the UAAL to the covered payroll was 52.2 percent.

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

SIoux CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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.

The July 1, 2013 actuarial valuation used the projected unit credit cost method. The actuarial assumptions included a 4.5 percent discount rate, annual health care cost trend rate of 9.0 percent initially decreasing to a rate of 5 percent after 8 years, salary increase assumption of 3.5 percent, and a plan participation percentage of 93 percent. The UAAL is being amortized as a level percentage of projected payroll on an open basis over 30 years.

NOTE 10 - INTERFUND TRANSFERS AND BALANCES:

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

| <u>Transfer To</u> | <u>Transfer From</u> | <u>Amount</u> |
|-------------------------------|----------------------|----------------------|
| General | Management | \$ <u>39,363</u> |
| PPEL | Sales Tax | \$ <u>3,570</u> |
| Sales Tax | Debt Service | \$ 127,411 |
| | General | <u>68,273</u> |
| | | \$ <u>195,684</u> |
| Energy Efficiency Projects | General | \$ <u>1,785,378</u> |
| Debt Service | General | \$ 278,835 |
| | Sales Tax | <u>7,978,434</u> |
| | | \$ <u>8,257,269</u> |
| | | \$ <u>10,281,264</u> |

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. Transfers to the Debt Service Fund are for principal and interest payments.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 10 - INTERFUND TRANSFERS AND BALANCES (CONTINUED):

The detail of interfund balances at June 30, 2015 is as follows:

| | <u>Due From Other Funds</u> | <u>Due to Other Funds</u> |
|---------------------------------|---------------------------------|-------------------------------|
| General Fund: | | |
| Student Activity | \$ 278,428 | \$ 105,171 |
| Sales Tax | <u>1,417,504</u> | <u>65,249</u> |
| | <u>\$ 1,695,932</u> | <u>\$ 170,420</u> |
| Sales Tax Fund: | | |
| General | \$ 65,249 | \$ 1,417,504 |
| Energy Efficiency Project | - | 425,879 |
| Debt Service | - | <u>144,202</u> |
| | <u>\$ 65,249</u> | <u>\$ 1,987,585</u> |
| Energy Efficiency Project Fund: | | |
| Sales Tax | <u>\$ 425,879</u> | <u>\$ -</u> |
| Debt Service Fund: | | |
| Sales Tax | <u>\$ 144,202</u> | <u>\$ -</u> |
| Student Activity Fund: | | |
| General | <u>\$ 105,171</u> | <u>\$ 278,428</u> |
| Total Governmental Funds | <u>\$ 2,436,433</u> | <u>\$ 2,436,433</u> |

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and, (3) payments between funds are made.

NOTE 11 - CONSTRUCTION AND OTHER COMMITMENTS:

The District has entered into various contracts totaling \$51,441,121 for the construction of the new Morningside Elementary, Perry Creek Elementary, the JROTC program, the Middle School Exploratory Project and various other projects. The Morningside Elementary opened in August, 2015 and the new Perry Creek Elementary is scheduled to open in August, 2016. At June 30, 2015, \$42,550,596 of the contracts were completed. The remaining amounts of the contracts will be paid as work on the project progresses.

NOTE 12 - LEASE COMMITMENTS:

The District leases classroom space, computers, and copiers under various leases. Rental expense for the year ended June 30, 2015 was \$1,139,337.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 12 - LEASE COMMITMENTS (CONTINUED):

Total future minimum rental commitments as of June 30, 2015, for these leases are as follows:

| Year Ended <u>June 30,</u> | |
|-------------------------------|---------------------|
| 2016 | \$ 1,351,076 |
| 2017 | 1,223,088 |
| 2018 | 1,197,490 |
| 2019 | 70,944 |
| 2020 | 78,324 |
| Thereafter | <u>313,305</u> |
| Total | \$ <u>4,234,227</u> |

NOTE 13 - CONTINGENCIES:

At June 30, 2015 the District is involved in various litigation concerning employment and work place issues, contract performance, and other matters arising in the normal course of the District's operations. The probability and amount of loss, if any, is indeterminable; however, in the opinion of the District, the outcome of these matters will not have a material impact on the District's financial position.

NOTE 14 - 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 Made Subsequent to the Measurement Date*. Beginning net position for governmental and business-type activities and school nutrition fund 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:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>School Nutrition Fund</u> |
|--|------------------------------------|-------------------------------------|----------------------------------|
| Net position June 30, 2014, as previously reported | \$ 138,179,100 | \$ 3,158,481 | \$ 3,111,197 |
| Net pension liability at June 30, 2014 | (75,370,837) | (1,908,807) | (1,908,807) |
| Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date | <u>8,065,573</u> | <u>204,265</u> | <u>204,265</u> |
| Net position July 1, 2014, as restated | \$ <u>70,873,836</u> | \$ <u>1,453,939</u> | \$ <u>1,406,655</u> |

REQUIRED SUPPLEMENTARY INFORMATION

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS

SIOUX CITY COMMUNITY SCHOOL DISTRICT, RETIREE HEALTH BENEFIT PLAN

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015

| Fiscal Year Ended | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|-------------------|--------------------------|-------------------------------|---------------------------------------|---------------------------|--------------------|---------------------|---|
| 2010 | 07/01/2009 | \$ - | \$ 36,520,000 | \$ 36,520,000 | 0% | \$ 75,092,915 | 48.6% |
| 2012 | 07/01/2011 | \$ - | \$ 27,833,223 | \$ 27,833,223 | 0% | \$ 71,538,017 | 38.9% |
| 2014 | 07/01/2013 | \$ - | \$ 38,179,232 | \$ 38,179,232 | 0% | \$ 73,087,415 | 52.2% |

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2013. Additional information follows:

- a. The actuarial method used to determine the ARC is the projected unit credit method.
- b. There are no plan assets.
- c. The actuarial assumptions included; 4.5 percent discount rate, a health care cost trend rate of 9 percent initially, grading down to 5 percent in 8 years, and a salary increase assumption of 3.5 percent.
- d. The amortization method is level percentage of pay on an open basis.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE OF

REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES,

BUDGET AND ACTUAL, ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

| | <u>Governmental Funds Actual</u> | <u>Proprietary Funds Actual</u> | <u>Total Actual</u> |
|--|--------------------------------------|-------------------------------------|------------------------|
| Revenue: | | | |
| Local sources | \$ 47,021,837 | \$ 2,093,933 | \$ 49,115,770 |
| State sources | 123,131,923 | 60,469 | 123,192,392 |
| Federal sources | 8,408,725 | 6,079,515 | 14,488,240 |
| Total revenue | <u>\$ 178,562,485</u> | <u>\$ 8,233,917</u> | <u>\$ 186,796,402</u> |
| Expenditures/expenses: | | | |
| Instruction | \$ 109,779,487 | \$ - | \$ 109,779,487 |
| Support services: | | | |
| Student support | 4,695,133 | - | 4,695,133 |
| Instructional staff support | 11,941,845 | - | 11,941,845 |
| Administration | 12,649,413 | - | 12,649,413 |
| Plant operation and maintenance | 12,095,803 | - | 12,095,803 |
| Student transportation | 4,947,441 | - | 4,947,441 |
| Non-instructional programs | - | 7,937,540 | 7,937,540 |
| Other expenditures: | | | |
| Facilities acquisition and construction | 20,361,844 | - | 20,361,844 |
| Debt service | 8,046,943 | - | 8,046,943 |
| AEA support | 6,246,584 | - | 6,246,584 |
| Total expenditures/expenses | <u>\$ 190,764,493</u> | <u>\$ 7,937,540</u> | <u>\$ 198,702,033</u> |
| Excess (deficiency) of revenues over (under) expenditures/expenses | <u>\$ (12,202,008)</u> | <u>\$ 296,377</u> | <u>\$ (11,905,631)</u> |
| Other financing sources (uses): | | | |
| Bonds and notes issued | \$ 29,361,125 | \$ - | \$ 29,361,125 |
| Refunding bonds issued | 29,781,710 | - | 29,781,710 |
| Premium on bonds issued | 1,439,280 | - | 1,439,280 |
| Refinancing of debt | (21,330,000) | - | (21,330,000) |
| Payment to refunded bond escrow agent | (9,363,589) | - | (9,363,589) |
| Transfers in | 10,281,264 | - | 10,281,264 |
| Transfers out | (10,281,264) | - | (10,281,264) |
| Total other financing sources (uses) | <u>\$ 29,888,526</u> | <u>\$ -</u> | <u>\$ 29,888,526</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses | <u>\$ 17,686,518</u> | <u>\$ 296,377</u> | <u>\$ 17,982,895</u> |
| Balances - beginning of year | <u>35,571,834</u> | <u>1,406,655</u> | <u>36,978,489</u> |
| Balances - end of year | <u>\$ 53,258,352</u> | <u>\$ 1,703,032</u> | <u>\$ 54,961,384</u> |

See Notes to Required Supplementary Information.

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| <u>Budgeted Amounts</u> | | <u>Final to</u> |
|-------------------------|-----------------------|------------------------|
| <u>Original</u> | <u>Final</u> | <u>Actual</u> |
| | | <u>Variance</u> |
| \$ 61,474,720 | \$ 61,474,720 | \$ (12,358,950) |
| 110,296,689 | 110,296,689 | 12,895,703 |
| 13,329,973 | 13,329,973 | 1,158,267 |
| <u>\$ 185,101,382</u> | <u>\$ 185,101,382</u> | <u>\$ 1,695,020</u> |
| | | |
| \$ 115,271,125 | \$ 115,271,125 | \$ 5,491,638 |
| 4,849,327 | 4,849,327 | 154,194 |
| 8,399,137 | 8,399,137 | (3,542,708) |
| 12,997,156 | 12,997,156 | 347,743 |
| 11,338,169 | 11,338,169 | (757,634) |
| 4,747,429 | 4,747,429 | (200,012) |
| 8,226,318 | 8,226,318 | 288,778 |
| 20,233,435 | 20,233,435 | (128,409) |
| 29,703,781 | 29,703,781 | 21,656,838 |
| 6,697,515 | 6,697,515 | 450,931 |
| <u>\$ 222,463,392</u> | <u>\$ 222,463,392</u> | <u>\$ 23,761,359</u> |
| | | |
| \$ (37,362,010) | \$ (37,362,010) | \$ 25,456,379 |
| | | |
| \$ 46,465,000 | \$ 46,465,000 | \$ (17,103,875) |
| - | - | 29,781,710 |
| - | - | 1,439,280 |
| - | - | (21,330,000) |
| - | - | (9,363,589) |
| 30,176,801 | 30,176,801 | (19,895,537) |
| <u>(30,176,801)</u> | <u>(30,176,801)</u> | <u>19,895,537</u> |
| <u>\$ 46,465,000</u> | <u>\$ 46,465,000</u> | <u>\$ (16,576,474)</u> |
| | | |
| \$ 9,102,990 | \$ 9,102,990 | \$ 8,879,905 |
| | | |
| <u>38,683,031</u> | <u>38,683,031</u> | <u>(1,704,542)</u> |
| | | |
| <u>\$ 47,786,021</u> | <u>\$ 47,786,021</u> | <u>\$ 7,175,363</u> |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

JUNE 30, 2015

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards 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 internal service, 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 a 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 functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

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

SIoux CITY 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

| | <u>2015</u> |
|--|---------------|
| District's proportion of the net pension liability | 1.4152421% |
| District's proportionate share of the net pension liability | \$ 56,127,175 |
| District's covered-employee payroll | \$ 92,612,318 |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 60.60% |
| 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.

SIOUX CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Statutorily required contributions | \$ 8,792,843 | \$ 8,270,280 | \$ 7,653,513 | \$ 7,221,069 | \$ 5,984,375 | \$ 5,648,749 | \$ 5,330,575 | \$ 4,932,936 | \$ 4,385,280 | \$ 4,170,736 |
| Contributions in relation to the statutorily required contribution | <u>(8,792,843)</u> | <u>(8,270,280)</u> | <u>(7,653,513)</u> | <u>(7,221,069)</u> | <u>(5,984,375)</u> | <u>(5,648,749)</u> | <u>(5,330,575)</u> | <u>(4,932,936)</u> | <u>(4,385,280)</u> | <u>(4,170,736)</u> |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered-employee payroll | \$ <u>98,464,087</u> | \$ <u>92,612,318</u> | \$ <u>88,275,813</u> | \$ <u>89,480,409</u> | \$ <u>86,106,115</u> | \$ <u>84,943,594</u> | \$ <u>83,946,063</u> | \$ <u>81,536,132</u> | \$ <u>76,265,739</u> | \$ <u>72,534,539</u> |
| Contributions as a percentage of covered-employee payroll | 8.93% | 8.93% | 8.67% | 8.07% | 6.95% | 6.65% | 6.35% | 6.05% | 5.75% | 5.75% |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY

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.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY

JUNE 30, 2015

CHANGES OF ASSUMPTIONS (CONTINUED):

- Modified salary increase assumptions based on various service duration.

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.

SIoux CITY COMMUNITY SCHOOL DISTRICT

STATISTICAL SECTION

NARRATIVE EXPLANATIONS

This part 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

Schedules

Financial Trends

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

1-4

Revenue Capacity

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

5-8

Debt Capacity

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.

9-13

Demographic and Economic Information

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

14-15

Operating Information

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.

16-19

Continuing Disclosure Information

These schedules are required as part of the District's ongoing general obligation bonded debt disclosures and give additional information to investors about the financial trends and tax base of the District.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 66,620,403 | \$ 44,768,019 | \$ 67,910,508 | \$ 80,716,587 | \$ 86,479,232 | \$ 95,203,875 | \$ 106,641,313 | \$ 108,885,120 | \$ 119,768,132 | \$ 122,035,557 |
| Restricted | 17,368,350 | 46,341,271 | 28,919,206 | 23,034,893 | 25,984,789 | 24,030,102 | 15,267,076 | 17,227,999 | 10,454,296 | 11,389,889 |
| Unrestricted | <u>3,528,964</u> | <u>5,865,723</u> | <u>7,892,868</u> | <u>6,890,424</u> | <u>1,534,096</u> | <u>527,893</u> | <u>7,722,914</u> | <u>7,751,855</u> | <u>7,956,672</u> | <u>(52,600,699)</u> |
| Total governmental activities net position | <u>\$ 87,517,717</u> | <u>\$ 96,975,013</u> | <u>\$ 104,722,582</u> | <u>\$ 110,641,904</u> | <u>\$ 113,998,117</u> | <u>\$ 119,761,870</u> | <u>\$ 129,631,303</u> | <u>\$ 133,864,974</u> | <u>\$ 138,179,100</u> | <u>\$ 80,824,747</u> |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 633,127 | \$ 659,302 | \$ 756,945 | \$ 764,747 | \$ 780,319 | \$ 1,562,228 | \$ 1,838,218 | \$ 1,723,985 | \$ 1,579,642 | \$ 1,449,034 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | <u>1,820,427</u> | <u>2,006,213</u> | <u>1,640,616</u> | <u>1,573,227</u> | <u>2,010,930</u> | <u>1,378,877</u> | <u>997,122</u> | <u>1,190,950</u> | <u>1,578,839</u> | <u>303,912</u> |
| Total business-type activities net position | <u>\$ 2,453,554</u> | <u>\$ 2,665,515</u> | <u>\$ 2,397,561</u> | <u>\$ 2,337,974</u> | <u>\$ 2,791,249</u> | <u>\$ 2,941,105</u> | <u>\$ 2,835,340</u> | <u>\$ 2,914,935</u> | <u>\$ 3,158,481</u> | <u>\$ 1,752,946</u> |
| Primary government: | | | | | | | | | | |
| Net investment in capital assets | \$ 67,253,530 | \$ 45,427,321 | \$ 68,667,453 | \$ 81,481,334 | \$ 87,259,551 | \$ 96,766,103 | \$ 108,479,531 | \$ 110,609,105 | \$ 121,347,774 | \$ 123,484,591 |
| Restricted | 17,368,350 | 46,341,271 | 28,919,206 | 23,034,893 | 25,984,789 | 24,030,102 | 15,267,076 | 17,227,999 | 10,454,296 | 11,389,889 |
| Unrestricted | <u>5,349,391</u> | <u>7,871,936</u> | <u>9,533,484</u> | <u>8,463,651</u> | <u>3,545,026</u> | <u>1,906,770</u> | <u>8,720,036</u> | <u>8,942,805</u> | <u>9,535,511</u> | <u>(52,296,787)</u> |
| Total primary government net position | <u>\$ 89,971,271</u> | <u>\$ 99,640,528</u> | <u>\$ 107,120,143</u> | <u>\$ 112,979,878</u> | <u>\$ 116,789,366</u> | <u>\$ 122,702,975</u> | <u>\$ 132,466,643</u> | <u>\$ 136,779,909</u> | <u>\$ 141,337,581</u> | <u>\$ 82,577,693</u> |

Source: School District financial records.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

EXPENSES, PROGRAM REVENUES AND NET (EXPENSE) REVENUE

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

| | Fiscal Year | | | | |
|--|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| Instruction | \$ 82,284,228 | \$ 85,981,642 | \$ 93,861,620 | \$ 99,714,959 | \$ 101,322,606 |
| Student support | 3,607,003 | 3,909,621 | 4,362,419 | 4,379,284 | 4,532,921 |
| Instructional staff | 6,105,564 | 6,747,979 | 7,126,498 | 6,752,941 | 6,276,972 |
| Administration | 9,866,575 | 10,627,510 | 11,471,660 | 11,754,652 | 11,521,173 |
| Operation and maintenance | 9,048,037 | 9,730,519 | 10,354,901 | 10,004,861 | 10,060,566 |
| Student transportation | 2,610,599 | 2,707,472 | 2,967,982 | 3,279,278 | 3,637,198 |
| Interest and other charges | 1,171,049 | 1,569,618 | 2,053,779 | 2,198,668 | 2,238,996 |
| AEA flow through | 4,342,883 | 4,672,591 | 4,930,147 | 5,146,840 | 5,729,737 |
| Depreciation (unallocated) | - | - | - | - | - |
| Total governmental activities expenses | <u>\$ 119,035,938</u> | <u>\$ 125,946,952</u> | <u>\$ 137,129,006</u> | <u>\$ 143,231,483</u> | <u>\$ 145,320,169</u> |
| Business-type activities: | | | | | |
| Nutrition services | \$ 4,681,482 | \$ 4,977,225 | \$ 5,848,797 | \$ 6,145,255 | \$ 6,458,725 |
| Student home construction | 271,794 | 165,010 | 127,201 | 31,067 | - |
| Stadium | 139,415 | 112,934 | 102,003 | 1,349 | - |
| Total business-type activities | <u>\$ 5,092,691</u> | <u>\$ 5,255,169</u> | <u>\$ 6,078,001</u> | <u>\$ 6,177,671</u> | <u>\$ 6,458,725</u> |
| Total primary government expenses | <u>\$ 124,128,629</u> | <u>\$ 131,202,121</u> | <u>\$ 143,207,007</u> | <u>\$ 149,409,154</u> | <u>\$ 151,778,894</u> |
| Program revenues: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| Instruction | \$ 4,348,361 | \$ 3,336,196 | \$ 3,373,006 | \$ 3,281,074 | \$ 3,447,988 |
| Support services | 154,176 | 139,447 | 184,737 | 214,189 | 156,233 |
| Operating grants and contributions | 15,882,959 | 16,752,466 | 21,141,831 | 24,195,100 | 34,186,844 |
| Capital grants and contributions | 999,372 | 548,231 | - | 7,691 | 532,180 |
| Total governmental activities program revenues | <u>\$ 21,384,868</u> | <u>\$ 20,776,340</u> | <u>\$ 24,699,574</u> | <u>\$ 27,698,054</u> | <u>\$ 38,323,245</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Nutrition | \$ 1,618,793 | \$ 1,739,605 | \$ 1,964,446 | \$ 2,361,275 | \$ 2,408,077 |
| Student home construction | 292,675 | 161,377 | 128,355 | - | - |
| Stadium | 133,155 | 104,457 | 95,134 | - | - |
| Operating grants and contributions | 3,136,689 | 3,333,737 | 3,516,416 | 3,883,085 | 4,401,892 |
| Capital grants and contributions | - | - | - | - | 60,090 |
| Total business-type program revenues | <u>\$ 5,181,312</u> | <u>\$ 5,339,176</u> | <u>\$ 5,704,351</u> | <u>\$ 6,244,360</u> | <u>\$ 6,870,059</u> |
| Total primary government program revenues | <u>\$ 26,566,180</u> | <u>\$ 26,115,516</u> | <u>\$ 30,403,925</u> | <u>\$ 33,942,414</u> | <u>\$ 45,193,304</u> |
| Net (expense) revenue: | | | | | |
| Governmental activities | \$ (97,651,070) | \$ (105,170,612) | \$ (112,429,432) | \$ (115,533,429) | \$ (106,996,924) |
| Business-type activities | 88,621 | 84,007 | (373,650) | 66,689 | 411,334 |
| Total primary government net expense | <u>\$ (97,562,449)</u> | <u>\$ (105,086,605)</u> | <u>\$ (112,803,082)</u> | <u>\$ (115,466,740)</u> | <u>\$ (106,585,590)</u> |
| General revenues and other changes in net position: | | | | | |
| Governmental activities: | | | | | |
| Property taxes | \$ 31,703,853 | \$ 31,309,312 | \$ 32,996,821 | \$ 33,394,847 | \$ 33,927,973 |
| Income surtaxes | 2,970,163 | 3,180,244 | 3,217,188 | 3,489,215 | 3,526,115 |
| Statewide sales, services and use tax | 10,074,839 | 10,568,822 | 10,917,911 | 11,340,639 | 10,381,619 |
| Interest | 1,715,844 | 2,788,864 | 2,734,620 | 928,454 | 256,958 |
| State aid not restricted to specific programs | 60,806,931 | 64,155,617 | 67,539,878 | 68,620,130 | 58,899,627 |
| Miscellaneous | 1,688,644 | 2,592,049 | 2,770,583 | 2,831,308 | 3,360,845 |
| Transfers | - | 33,000 | - | 181,924 | - |
| Total governmental activities | <u>\$ 108,960,274</u> | <u>\$ 114,627,908</u> | <u>\$ 120,177,001</u> | <u>\$ 120,786,517</u> | <u>\$ 110,353,137</u> |
| Business-type activities: | | | | | |
| Interest | \$ 53,045 | \$ 73,954 | \$ 54,136 | \$ 14,466 | \$ 4,449 |
| Miscellaneous | 106,825 | 87,000 | 51,560 | 41,182 | 37,492 |
| Transfers | - | (33,000) | - | (181,924) | - |
| Total business-type activities | <u>\$ 159,870</u> | <u>\$ 127,954</u> | <u>\$ 105,696</u> | <u>\$ (126,276)</u> | <u>\$ 41,941</u> |
| Total primary government | <u>\$ 109,120,144</u> | <u>\$ 114,755,862</u> | <u>\$ 120,282,697</u> | <u>\$ 120,660,241</u> | <u>\$ 110,395,078</u> |
| Changes in net position: | | | | | |
| Governmental activities | \$ 11,309,204 | \$ 9,457,296 | \$ 7,747,569 | \$ 5,253,088 | \$ 3,356,213 |
| Business-type activities | 248,491 | 211,961 | (267,954) | (59,587) | 453,275 |
| Total primary government | <u>\$ 11,557,695</u> | <u>\$ 9,669,257</u> | <u>\$ 7,479,615</u> | <u>\$ 5,193,501</u> | <u>\$ 3,809,488</u> |

SCHEDULE 2

| Fiscal Year | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2011 | 2012 | 2013 | 2014 | 2015 |
| \$ 107,183,019 | \$ 112,822,997 | \$ 113,394,675 | \$ 117,379,623 | \$ 118,505,539 |
| 3,861,499 | 3,812,807 | 4,231,243 | 4,635,780 | 4,618,798 |
| 6,604,464 | 8,965,677 | 9,269,706 | 8,043,966 | 13,335,368 |
| 11,717,578 | 11,380,611 | 11,952,812 | 12,122,682 | 12,693,814 |
| 10,151,912 | 10,703,379 | 11,203,366 | 11,606,051 | 11,589,683 |
| 3,959,812 | 4,265,739 | 4,528,262 | 4,681,343 | 4,870,028 |
| 2,744,525 | 2,840,907 | 2,912,552 | 3,079,039 | 3,546,964 |
| 5,943,462 | - | - | - | - |
| 45,299 | 80,159 | 88,014 | - | - |
| <u>\$ 152,211,570</u> | <u>\$ 154,872,276</u> | <u>\$ 157,580,630</u> | <u>\$ 161,548,484</u> | <u>\$ 169,160,194</u> |
| \$ 6,882,773 | \$ 7,442,807 | \$ 7,563,064 | \$ 7,843,496 | \$ 7,934,910 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$ 6,882,773</u> | <u>\$ 7,442,807</u> | <u>\$ 7,563,064</u> | <u>\$ 7,843,496</u> | <u>\$ 7,934,910</u> |
| <u>\$ 159,094,343</u> | <u>\$ 162,315,083</u> | <u>\$ 165,143,694</u> | <u>\$ 169,391,980</u> | <u>\$ 177,095,104</u> |
| \$ 3,373,702 | \$ 3,575,091 | \$ 3,201,224 | \$ 3,212,490 | \$ 3,190,947 |
| 161,892 | 162,969 | - | - | 27,469 |
| 30,077,101 | 28,493,636 | 26,514,309 | 28,051,320 | 32,503,773 |
| 50,000 | 600,000 | 247,442 | 103,874 | 43,666 |
| <u>\$ 33,662,695</u> | <u>\$ 32,831,696</u> | <u>\$ 29,962,975</u> | <u>\$ 31,367,684</u> | <u>\$ 35,765,855</u> |
| \$ 2,257,566 | \$ 2,247,047 | \$ 2,199,175 | \$ 2,162,006 | \$ 2,071,322 |
| - | - | - | - | - |
| - | - | - | - | - |
| 4,717,421 | 5,060,432 | 5,416,676 | 5,904,100 | 6,139,984 |
| - | - | - | - | - |
| <u>\$ 6,974,987</u> | <u>\$ 7,307,479</u> | <u>\$ 7,615,851</u> | <u>\$ 8,066,106</u> | <u>\$ 8,211,306</u> |
| <u>\$ 40,637,682</u> | <u>\$ 40,139,175</u> | <u>\$ 37,578,826</u> | <u>\$ 39,433,790</u> | <u>\$ 43,977,161</u> |
| \$ (118,548,875) | \$ (122,040,580) | \$ (127,617,655) | \$ (130,180,800) | \$ (133,394,339) |
| 92,214 | (135,328) | 52,787 | 222,610 | 276,396 |
| <u>\$ (118,456,661)</u> | <u>\$ (122,175,908)</u> | <u>\$ (127,564,868)</u> | <u>\$ (129,958,190)</u> | <u>\$ (133,117,943)</u> |
| \$ 35,370,649 | \$ 35,357,124 | \$ 37,302,866 | \$ 37,274,142 | \$ 37,320,835 |
| 3,442,960 | 3,450,681 | 3,463,576 | 3,512,896 | 3,856,197 |
| 11,096,938 | 11,654,660 | 11,969,819 | 12,123,178 | 13,490,987 |
| 216,836 | 220,820 | 172,292 | 242,525 | 194,323 |
| 70,343,838 | 74,451,071 | 75,957,709 | 78,611,950 | 84,921,532 |
| 3,841,407 | 6,775,657 | 2,985,064 | 3,645,846 | 3,561,376 |
| - | - | - | - | - |
| <u>\$ 124,312,628</u> | <u>\$ 131,910,013</u> | <u>\$ 131,851,326</u> | <u>\$ 135,410,537</u> | <u>\$ 143,345,250</u> |
| \$ 3,399 | \$ 4,528 | \$ 900 | \$ 2,465 | \$ 2,990 |
| 54,243 | 25,035 | 25,908 | 18,471 | 19,621 |
| - | - | - | - | - |
| <u>\$ 57,642</u> | <u>\$ 29,563</u> | <u>\$ 26,808</u> | <u>\$ 20,936</u> | <u>\$ 22,611</u> |
| <u>\$ 124,370,270</u> | <u>\$ 131,939,576</u> | <u>\$ 131,878,134</u> | <u>\$ 135,431,473</u> | <u>\$ 143,367,861</u> |
| \$ 5,763,753 | \$ 9,869,433 | \$ 4,233,671 | \$ 5,229,737 | \$ 9,950,911 |
| 149,856 | (105,765) | 79,595 | 243,546 | 299,007 |
| <u>\$ 5,913,609</u> | <u>\$ 9,763,668</u> | <u>\$ 4,313,266</u> | <u>\$ 5,473,283</u> | <u>\$ 10,249,918</u> |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| General fund: | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 129,958 | \$ 60,064 | \$ - | \$ - | \$ 6,811 |
| Restricted | - | - | - | - | - | 5,018,506 | 3,289,172 | 3,445,872 | 3,107,583 | 3,233,342 |
| Unassigned | - | - | - | - | - | 9,152,745 | 13,609,109 | 15,632,444 | 17,855,917 | 20,942,728 |
| Reserved | 477,287 | 626,839 | - | 1,110,394 | 2,240,341 | - | - | - | - | - |
| Unreserved | 9,638,949 | 10,408,935 | 12,626,341 | 11,762,992 | 7,575,437 | - | - | - | - | - |
| Total general fund | <u>\$ 10,116,236</u> | <u>\$ 11,035,774</u> | <u>\$ 12,626,341</u> | <u>\$ 12,873,386</u> | <u>\$ 9,815,778</u> | <u>\$ 14,301,209</u> | <u>\$ 16,958,345</u> | <u>\$ 19,078,316</u> | <u>\$ 20,963,500</u> | <u>\$ 24,182,881</u> |
| All other governmental funds: | | | | | | | | | | |
| Restricted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,967,492 | \$ 26,327,759 | \$ 20,832,343 | \$ 15,703,647 | \$ 29,075,471 |
| Reserved | 57,356 | 62,234 | 60,943 | 5,856,965 | 6,339,249 | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | (1,095,313) | - |
| Unreserved, reported in: | | | | | | | | | | |
| Capital projects funds | 10,201,268 | 41,069,514 | 26,042,841 | 20,574,125 | 15,978,493 | - | - | - | - | - |
| Special revenue funds | 5,477,305 | 4,582,684 | 1,871,473 | 1,951,474 | 4,473,677 | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 15,735,929</u> | <u>\$ 45,714,432</u> | <u>\$ 27,975,257</u> | <u>\$ 28,382,564</u> | <u>\$ 26,791,419</u> | <u>\$ 24,967,492</u> | <u>\$ 26,327,759</u> | <u>\$ 20,832,343</u> | <u>\$ 14,608,334</u> | <u>\$ 29,075,471</u> |

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in fiscal year 2011.

Source: School District financial records.

SIoux CITY COMMUNITY SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|------------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues: | | | | | | | | | | |
| Local sources | \$ 51,455,725 | \$ 54,189,180 | \$ 55,903,557 | \$ 55,004,414 | \$ 55,478,463 | \$ 57,569,786 | \$ 57,686,948 | \$ 59,618,951 | \$ 47,918,703 | \$ 47,021,837 |
| State appropriations | 70,118,988 | 75,082,151 | 81,233,102 | 84,189,633 | 75,748,017 | 87,654,905 | 91,392,601 | 93,346,388 | 111,009,861 | 123,131,923 |
| Federal appropriations | 8,021,534 | 6,435,484 | 7,496,678 | 8,244,366 | 18,338,511 | 12,856,308 | 11,675,517 | 9,161,196 | 8,048,044 | 8,408,725 |
| Total revenue | \$ 129,596,247 | \$ 135,706,815 | \$ 144,633,337 | \$ 147,438,413 | \$ 149,564,991 | \$ 158,080,999 | \$ 160,755,066 | \$ 162,126,535 | \$ 166,976,608 | \$ 178,562,485 |
| Expenditures: | | | | | | | | | | |
| Instruction | \$ 79,135,345 | \$ 82,645,704 | \$ 90,251,215 | \$ 93,020,664 | \$ 95,423,501 | \$ 99,513,413 | \$ 102,733,204 | \$ 102,750,216 | \$ 107,651,507 | \$ 109,779,487 |
| Student support | 6,625,175 | 7,353,889 | 7,748,310 | 7,636,744 | 7,556,308 | 3,717,185 | 3,712,113 | 4,159,364 | 4,581,951 | 4,695,133 |
| Instructional staff | 3,196,353 | 3,289,286 | 3,759,641 | 3,519,328 | 3,508,500 | 6,799,105 | 7,880,955 | 7,825,714 | 6,153,206 | 11,941,845 |
| Administrative | 10,045,553 | 10,477,593 | 11,388,111 | 11,448,971 | 11,185,524 | 11,257,330 | 11,157,102 | 11,713,850 | 12,021,307 | 12,649,413 |
| Operations and maintenance | 9,214,875 | 10,125,822 | 10,445,071 | 9,886,549 | 9,882,696 | 10,047,582 | 10,792,420 | 11,360,440 | 11,546,129 | 12,095,803 |
| Student transportation | 2,674,820 | 3,003,819 | 3,204,579 | 3,422,127 | 3,587,380 | 3,922,523 | 4,298,376 | 4,377,573 | 4,669,475 | 4,947,441 |
| AEA flow through | 4,342,883 | 4,672,591 | 4,930,147 | 5,146,840 | 5,729,737 | 5,943,462 | 5,428,584 | 5,532,645 | 5,879,378 | 6,246,584 |
| Capital outlay | 11,955,027 | 9,836,862 | 25,484,779 | 6,267,261 | 21,103,809 | 25,097,495 | 13,581,181 | 10,244,452 | 20,642,373 | 20,361,844 |
| Debt service: | | | | | | | | | | |
| Principal | 5,250,111 | 5,490,111 | 1,370,111 | 14,360,111 | 1,460,111 | 1,370,285 | 4,209,392 | 4,815,000 | 5,245,000 | 3,329,051 |
| Interest and other charges | 1,205,362 | 1,745,151 | 2,199,981 | 2,303,945 | 2,370,589 | 2,857,424 | 2,946,875 | 2,896,308 | 3,067,771 | 3,717,892 |
| Payment to refunded bonds escrow agent | - | 3,902,366 | - | - | - | - | - | - | - | 1,000,000 |
| Total expenditures | \$ 133,645,504 | \$ 142,543,194 | \$ 160,781,945 | \$ 157,012,540 | \$ 161,808,155 | \$ 170,525,804 | \$ 166,740,202 | \$ 165,675,562 | \$ 181,458,097 | \$ 190,764,493 |
| Excess (deficiency) of revenues over expenditures | \$ (4,049,257) | \$ (6,836,379) | \$ (16,148,608) | \$ (9,574,127) | \$ (12,243,164) | \$ (12,444,805) | \$ (5,985,136) | \$ (3,549,027) | \$ (14,481,489) | \$ (12,202,008) |
| Other financing sources (uses): | | | | | | | | | | |
| Bond/note issued | \$ - | \$ 37,210,000 | \$ - | \$ 10,000,000 | \$ 7,500,000 | \$ 15,000,000 | \$ 10,000,000 | \$ - | \$ 10,000,000 | \$ 29,361,125 |
| Refunding bonds issued | - | 12,945,000 | - | - | - | - | - | - | - | 29,781,710 |
| Premium on bonds issued | - | 247,355 | - | - | - | - | - | - | - | 1,439,280 |
| Discount on bonds issued | - | (31,068) | - | - | - | - | - | - | - | - |
| Refinancing of debt | - | - | - | - | - | - | - | - | - | (21,330,000) |
| Payments to refunded bonds escrow agent | - | (12,861,182) | - | - | - | - | - | - | - | (9,363,589) |
| Proceeds from sale of capital assets | - | 191,315 | - | 46,555 | 94,411 | 106,309 | 2,539 | 173,582 | 142,664 | - |
| Transfers in | 5,394,088 | 9,704,153 | 2,526,444 | 15,542,946 | 2,552,183 | 3,719,775 | 7,416,743 | 8,127,280 | 8,546,239 | 10,281,264 |
| Transfers out | (5,394,088) | (9,671,153) | (2,526,444) | (15,361,022) | (2,552,183) | (3,719,775) | (7,416,743) | (8,127,280) | (8,546,239) | (10,281,264) |
| Total other financing sources (uses) | \$ - | \$ 37,734,420 | \$ - | \$ 10,228,479 | \$ 7,594,411 | \$ 15,106,309 | \$ 10,002,539 | \$ 173,582 | \$ 10,142,664 | \$ 29,888,526 |
| Net change in fund balances | \$ (4,049,257) | \$ 30,898,041 | \$ (16,148,608) | \$ 654,352 | \$ (4,648,753) | \$ 2,661,504 | \$ 4,017,403 | \$ (3,375,445) | \$ (4,338,825) | \$ 17,686,518 |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

| Fiscal Year | Real Property | | Utilities | | Total | | Total Direct Rate |
|-------------|------------------|------------------|----------------|----------------|------------------|------------------|-------------------|
| | Taxable Value | Assessed Value | Taxable Value | Assessed Value | Taxable Value | Assessed Value | |
| 2006 | \$ 1,856,791,487 | \$ 2,944,980,152 | \$ 152,469,110 | \$ 164,012,402 | \$ 2,009,260,597 | \$ 3,108,992,554 | \$ 17.50 |
| 2007 | 1,907,570,957 | 3,122,403,724 | 152,575,495 | 174,503,932 | 2,060,146,452 | 3,296,907,656 | 16.77 |
| 2008 | 1,924,971,016 | 3,144,348,790 | 144,780,106 | 179,508,375 | 2,069,751,122 | 3,323,857,165 | 17.52 |
| 2009 | 1,971,463,286 | 3,246,872,789 | 147,628,392 | 175,343,155 | 2,119,091,678 | 3,422,215,944 | 17.76 |
| 2010 | 2,029,543,470 | 3,284,477,251 | 150,189,530 | 191,053,328 | 2,179,733,000 | 3,475,530,579 | 17.61 |
| 2011 | 2,087,019,534 | 3,355,418,649 | 140,606,049 | 196,318,581 | 2,227,625,583 | 3,551,737,230 | 17.75 |
| 2012 | 2,140,035,602 | 3,377,671,592 | 148,407,091 | 201,562,517 | 2,288,442,693 | 3,579,234,109 | 17.12 |
| 2013 | 2,272,188,441 | 3,491,347,339 | 147,323,866 | 205,208,606 | 2,419,512,307 | 3,696,555,945 | 17.19 |
| 2014 | 2,311,884,813 | 3,484,471,027 | 145,543,386 | 211,966,613 | 2,457,428,199 | 3,696,437,640 | 16.68 |
| 2015 | 2,314,149,961 | 3,505,187,065 | 146,394,560 | 188,037,309 | 2,460,544,521 | 3,693,224,374 | 16.52 |

Source: Iowa Department of Management website.

Notes: Assessed Value was obtained from the 100% Valuations by Class by Levy Authority report.
 Taxable Value was obtained from the Taxable Valuations by Class by Levy Authority report.

SIOUX CITY COMMUNITY SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

(RATE PER \$1,000 OF ASSESSED VALUATION)

| Fiscal Year | District Direct Rates | | | | | Overlapping Rates | | | | | | | |
|-------------|-----------------------|-----------------|--------------|--------------|----------|--------------------|---------------------------|-----------------------------|---------------------------------|-----------------|---------------|--------------|---------------|
| | Operating Levy | Management Levy | Regular PPEL | Debt Service | Total | City of Sioux City | Plymouth County Perry Twp | Plymouth County Hancock Twp | Western Iowa Tech Comm. College | Woodbury County | State of Iowa | Ag Extension | City Assessor |
| 2006 | \$ 15.70 | \$ 0.94 | \$ 0.33 | \$ 0.53 | \$ 17.50 | \$ 17.97 | \$ 0.43 | \$ 0.61 | \$ 0.70 | \$ 7.69 | \$ 0.004 | \$ 0.05 | \$ 0.43 |
| 2007 | 15.65 | 0.27 | 0.33 | 0.52 | 16.77 | 18.25 | 0.45 | 0.44 | 0.74 | 7.78 | 0.004 | 0.18 | 0.48 |
| 2008 | 16.62 | 0.05 | 0.33 | 0.52 | 17.52 | 18.47 | 0.44 | 0.67 | 0.83 | 8.00 | 0.004 | 0.12 | 0.48 |
| 2009 | 15.98 | 0.94 | 0.33 | 0.51 | 17.76 | 18.71 | 0.50 | 0.67 | 0.83 | 7.95 | 0.004 | 0.13 | 0.49 |
| 2010 | 14.60 | 2.18 | 0.33 | 0.50 | 17.61 | 17.85 | 0.49 | 0.67 | 0.82 | 7.93 | 0.003 | 0.13 | 0.49 |
| 2011 | 15.83 | 1.10 | 0.33 | 0.49 | 17.75 | 17.30 | 0.49 | 0.67 | 0.82 | 7.98 | 0.003 | 0.13 | 0.44 |
| 2012 | 16.21 | 0.58 | 0.33 | - | 17.12 | 16.66 | 0.53 | 0.63 | 0.78 | 7.74 | 0.003 | 0.12 | 0.43 |
| 2013 | 15.94 | 0.92 | 0.33 | - | 17.19 | 15.99 | 0.53 | 0.63 | 0.78 | 7.45 | 0.003 | 0.13 | 0.39 |
| 2014 | 15.51 | 0.84 | 0.33 | - | 16.68 | 16.25 | 0.55 | 0.62 | 0.76 | 7.40 | 0.003 | 0.14 | 0.41 |
| 2015 | 15.34 | 0.85 | 0.33 | - | 16.52 | 16.36 | 0.42 | 0.42 | 0.78 | 7.76 | 0.003 | 0.13 | 0.46 |

Sources: Woodbury and Plymouth County auditors.

Notes: Assessed value equals estimated actual value.

Tax rates expressed in dollars per thousand of assessed valuation.

SIoux CITY COMMUNITY SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

| Taxpayer | 2015 | | | 2006 | | |
|--------------------------------|-----------------------|------|-----------------------------------|-----------------------|------|-----------------------------------|
| | Assessed Value | Rank | % of Total Taxable Assessed Value | Assessed Value | Rank | % of Total Taxable Assessed Value |
| MidAmerican Energy | \$ 214,680,568 | 1 | 8.72% | \$ 291,905,473 | 1 | 9.39% |
| Sm Southern Hills Mall LLC | 60,791,000 | 2 | 2.47% | 55,059,100 | 2 | 1.77% |
| Lakeport Commons LLC | 32,340,400 | 3 | 1.31% | | | |
| Northwest Iowa Hospital Corp | 14,102,300 | 4 | 0.57% | | | |
| Wal-Mart Real Estate | 13,787,300 | 5 | 0.56% | 23,487,900 | 5 | 0.76% |
| Market Place LLC | 11,772,500 | 6 | 0.48% | | | |
| Lowe's Home Centers | 11,670,600 | 7 | 0.47% | | | |
| SCI Sioux City, LLC | 11,311,100 | 8 | 0.46% | | | |
| Menards | 11,131,900 | 9 | 0.45% | 9,447,700 | 9 | 0.30% |
| Midwest Franchise of Iowa, LLC | 9,967,800 | 10 | 0.41% | | | |
| Interstate Power Co. | | | | 30,655,928 | 3 | 0.99% |
| Qwest Corp. | | | | 26,857,838 | 4 | 0.86% |
| Northwestern Public Services | | | | 16,546,776 | 6 | 0.53% |
| Terra Chemical | | | | 11,330,070 | 7 | 0.36% |
| Klinger Properties Inc. | | | | 10,655,700 | 8 | 0.34% |
| K-F Real Estate | | | | 9,343,000 | 10 | 0.30% |
| | <u>\$ 391,555,468</u> | | <u>15.90%</u> | <u>\$ 485,289,485</u> | | <u>15.60%</u> |

Source: Woodbury County auditor (2015 Auditor's Top Valuations by School).

SIoux CITY COMMUNITY SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Taxes Levied for the Fiscal Year</u> | <u>Property Tax Collections*</u> | <u>Percentage of Levy</u> |
|--------------------|---|----------------------------------|---------------------------|
| 2006 | \$ 31,885,170 | \$ 31,612,502 | 99.14% |
| 2007 | 31,500,773 | 31,231,128 | 99.14% |
| 2008 | 33,029,207 | 32,915,206 | 99.65% |
| 2009 | 33,605,384 | 33,312,200 | 99.13% |
| 2010 | 34,065,563 | 33,843,873 | 99.35% |
| 2011 | 35,526,588 | 35,289,318 | 99.33% |
| 2012 | 35,450,867 | 35,270,790 | 99.49% |
| 2013 | 37,329,023 | 37,267,403 | 99.83% |
| 2014 | 37,514,450 | 37,253,338 | 99.30% |
| 2015 | 36,654,999 | 36,511,357 | 99.61% |

Source: District records.

*The amounts and percentages of the levies collected in subsequent years is not available.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>General Obligation Bonds</u> | <u>Assessed Value</u> | <u>Percent of Actual Taxable Value of Property</u> | <u>Per Capita</u> |
|--------------------|---------------------------------|-----------------------|--|-------------------|
| 2006 | \$ 4,830,000 | \$ 3,108,992,554 | 0.16% | \$ 56.81 |
| 2007 | 3,945,000 | 3,296,907,656 | 0.12% | 47.38 |
| 2008 | 3,020,000 | 3,323,857,165 | 0.09% | 36.52 |
| 2009 | 2,055,000 | 3,422,215,944 | 0.06% | 24.82 |
| 2010 | 1,050,000 | 3,475,530,579 | 0.03% | 12.67 |
| 2011 | - | 3,551,737,230 | 0.00% | - |
| 2012 | - | 3,579,234,109 | 0.00% | - |
| 2013 | - | 3,696,555,945 | 0.00% | - |
| 2014 | - | 3,696,437,640 | 0.00% | - |
| 2015 | - | 3,693,224,374 | 0.00% | - |

Sources: District financial records and Woodbury County auditor.

SIOUX CITY COMMUNITY SCHOOL DISTRICTOUTSTANDING DEBT BY TYPELAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>General Obligation Bonds</u> | <u>Sales Tax Revenue Bonds</u> | <u>Asbestos Abatement Notes</u> | <u>Capital Equipment Notes</u> | <u>Total Primary Government</u> | <u>Percentage of Personal Income</u> | <u>Per Capita</u> |
|--------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------------|-------------------|
| 2006 | \$ 4,830,000 | \$ 21,060,000 | \$ 1,495,121 | \$ 1,370,000 | \$ 28,755,121 | N/A | \$ 338.24 |
| 2007 | 3,945,000 | 50,454,000 | 1,185,010 | 1,235,000 | 56,819,010 | N/A | 682.41 |
| 2008 | 3,020,000 | 50,380,959 | 874,899 | 1,100,000 | 55,375,858 | N/A | 669.73 |
| 2009 | 2,055,000 | 47,399,766 | 564,788 | 960,000 | 50,979,554 | N/A | 615.64 |
| 2010 | 1,050,000 | 54,875,124 | 254,677 | 815,000 | 56,994,801 | N/A | 687.49 |
| 2011 | - | 69,849,529 | 84,392 | 665,000 | 70,598,921 | N/A | 853.84 |
| 2012 | - | 75,852,261 | - | 510,000 | 76,362,261 | N/A | 920.39 |
| 2013 | - | 71,172,284 | - | 345,000 | 71,517,284 | N/A | 864.58 |
| 2014 | - | 76,065,897 | - | 175,000 | 76,240,897 | N/A | 922.37 |
| 2015 | - | 100,756,413 | - | 1,182,784 | 101,939,197 | N/A | 1,232.36 |

Source: District financial records.

Notes: Details of the District's outstanding debt can be found in Note 5 in the notes to the financial statements.

SIoux CITY COMMUNITY SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2015

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable*</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|-------------------------------------|-----------------------------|---|---|
| City of Sioux City | \$ 111,597,115 | 89.23% | \$ 99,578,106 |
| Woodbury County | 3,263,800 | 58.51% | 1,909,649 |
| Plymouth County | 8,355,000 | 19.00% | 1,587,450 |
| Western Iowa Tech Community College | 26,445,000 | 18.17% | 4,805,057 |
| Subtotal overlapping debt | | | <u>\$ 107,880,262</u> |
| District direct debt | | | <u>101,939,197</u> |
| Total direct and overlapping debt | | | <u>\$ 209,819,459</u> |

Source: Taxable value data used to estimate applicable percentages provided by the County Auditor. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographical 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.

* 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.

SIoux CITY COMMUNITY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

Legal Debt Margin Calculation - Fiscal Year 2015

| | |
|-------------------------------------|------------------|
| Actual assessed value* | \$ 3,693,224,374 |
| Debt limit (5% of assessed value)** | \$ 184,661,219 |
| Debt applicable to limit | 1,182,784 |
| Legal debt margin | \$ 183,478,435 |

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit | \$ 153,756,418 | \$ 164,989,190 | \$ 163,747,858 | \$ 169,112,545 | \$ 174,179,154 | \$ 176,693,945 | \$ 182,239,877 | \$ 184,827,797 | \$ 184,821,882 | \$ 184,661,219 |
| Total net debt applicable to limit | <u>7,695,121</u> | <u>6,311,496</u> | <u>4,994,900</u> | <u>3,579,788</u> | <u>2,119,677</u> | <u>749,392</u> | <u>510,000</u> | <u>345,000</u> | <u>175,000</u> | <u>1,182,784</u> |
| Legal debt margin | <u>\$ 146,061,297</u> | <u>\$ 158,677,694</u> | <u>\$ 158,752,958</u> | <u>\$ 165,532,757</u> | <u>\$ 172,059,477</u> | <u>\$ 175,944,553</u> | <u>\$ 181,729,877</u> | <u>\$ 184,482,797</u> | <u>\$ 184,646,882</u> | <u>\$ 183,478,435</u> |
| Total net debt applicable to limit as a percentage of debt limit | <u>5.00%</u> | <u>3.83%</u> | <u>3.05%</u> | <u>2.12%</u> | <u>1.22%</u> | <u>0.42%</u> | <u>0.28%</u> | <u>0.19%</u> | <u>0.09%</u> | <u>0.64%</u> |

Source: School District financial records and Woodbury County auditor.

Notes:

* Actual assessed value includes Tax Increment Financing Districts.

** Code of Iowa Section 296.1.

SIoux CITY COMMUNITY SCHOOL DISTRICT

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

| Fiscal Year | Sales Tax Revenue Bonds | | | | Coverage |
|----------------|-------------------------|---------------|------------|----|----------|
| | Revenue | Debt Service | | | |
| | | Principal | Interest | | |
| 2005 | \$ 9,254,822 | \$ 3,805,000 | \$ 862,740 | \$ | 1.98 |
| 2006 | 9,491,719 | 3,960,000 | 926,612 | | 1.94 |
| 2007 | 11,083,850 | 4,160,000 * | 1,063,090 | | 2.12 |
| 2008 | 10,917,911 | - | 1,998,105 | | 5.46 |
| 2009 | 11,340,639 | - ** | 1,899,705 | | 5.97 |
| 2010 | 10,381,619 | - | 2,042,979 | | 5.08 |
| 2011 | 11,096,938 | - | 2,477,513 | | 4.48 |
| 2012 | 11,654,660 | 3,970,000 | 2,740,638 | | 1.74 |
| 2013 | 11,969,819 | 4,650,000 | 2,862,880 | | 1.59 |
| 2014 | 12,123,178 | 5,075,000 | 2,861,711 | | 1.53 |
| 2015 | 13,490,987 | 3,060,000 *** | 2,919,247 | | 2.26 |

Note: Details regarding the District's outstanding debt can be found in Note 5 of the notes to the financial statements.

* Does not include debt defeasance payments of \$16,763,548

** Does not include debt defeasance payments of \$12,945,000

*** Does not include debt refinancing of \$21,330,000

SIOUX CITY COMMUNITY SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

| <u>Calendar Year</u> | <u>Population*</u> | <u>Personal Income**</u> | <u>Adjusted Gross Income Per Tax Return**</u> | <u>Per Capita Personal Income</u> | <u>Unemployment Rate***</u> |
|--------------------------|--------------------|------------------------------|---|---|---------------------------------|
| 2006 | 85,013 | N/A | N/A | N/A | 3.80% |
| 2007 | 83,262 | N/A | N/A | N/A | 3.90% |
| 2008 | 82,684 | N/A | N/A | N/A | 3.80% |
| 2009 | 82,807 | N/A | N/A | N/A | 5.10% |
| 2010 | 82,903 | N/A | N/A | N/A | 7.10% |
| 2011 | 82,684 | N/A | N/A | N/A | 5.90% |
| 2012 | 82,967 | N/A | N/A | N/A | 5.10% |
| 2013 | 82,719 | N/A | N/A | N/A | 4.50% |
| 2014 | 82,658 | N/A | N/A | N/A | 4.10% |
| 2015 | 82,719 | N/A | N/A | N/A | 3.80% |

Notes:

N/A = Not available

* Iowa Data Center-SIMCO

** Iowa Department of Revenue

*** Iowa Workforce Development

SIOUX CITY COMMUNITY SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

| <u>Employer</u> | <u>2015</u> | | | <u>2006</u> | | |
|--|------------------|-------------|---------------------------------------|------------------|-------------|---------------------------------------|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> |
| Tyson Fresh Meats, Inc. | 3,348 | 1 | 3.72% | 3,850 | 1 | 9.08% |
| Sioux City Comm. School District | 1,780 | 2 | 1.98% | 1,500 | 4 | 3.54% |
| Mercy Medical Center | 1,444 | 3 | 1.60% | 2,000 | 2 | 4.72% |
| Unity Point / St. Luke's Regional Medical Center | 1,266 | 4 | 1.41% | 1,300 | 5 | 3.07% |
| Alcora | 1,100 | 5 | 1.22% | | | |
| Convergys | 950 | 6 | 1.10% | | | |
| City of Sioux City | 850 | 7 | 0.94% | 787 | 7 | 1.86% |
| Ho-Chunk, Inc. | 783 | 8 | 0.87% | | | |
| Tur-Pak Foods | 700 | 9 | 0.78% | | | |
| Curly's Foods, Inc. | 597 | 10 | 0.66% | | | |
| Mid American Energy Company | | | | 659 | 10 | 1.55% |
| Gateway | | | | 1,800 | 3 | 4.25% |
| John Morrell | | | | 1,300 | 6 | 3.07% |
| Western Iowa Tech Community College | | | | 706 | 8 | 1.67% |
| 185th Iowa Air National Guard | | | | 690 | 9 | 1.63% |
| Totals | 12,818 | | 14.28% | 14,592 | | 34.44% |

Sources: City of Sioux City Economic Development Department and Iowa Department of Economic Development

SIOUX CITY COMMUNITY SCHOOL DISTRICT

FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

| | Full Time Equivalent Employees as of Fiscal Year Ended | | | | | | | | | |
|---------------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
| Administration: | | | | | | | | | | |
| Superintendent | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Superintendent | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Principals | 19.0 | 20.0 | 20.0 | 21.0 | 20.0 | 20.0 | 21.0 | 24.0 | 25.0 | 26.0 |
| Assistant Principals | 23.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| Other Officials/Admin | 12.0 | 33.0 | 33.0 | 33.0 | 32.0 | 31.5 | 32.5 | 33.5 | 32.0 | 32.0 |
| Subtotal | 56.0 | 70.0 | 70.0 | 71.0 | 69.0 | 68.5 | 70.5 | 74.5 | 74.0 | 75.0 |
| Teachers and other: | | | | | | | | | | |
| Regular | 656.9 | 757.5 | 757.1 | 774.8 | 774.5 | 773.2 | 781.3 | 792.8 | 778.9 | 767.7 |
| Special Programs | 275.8 | 177.8 | 172.2 | 167.8 | 164.6 | 166.1 | 168.9 | 170.7 | 167.4 | 168.4 |
| Teacher Leaders | 45.0 | | | | | | | | | |
| Counselors | 27.0 | 27.0 | 28.0 | 27.0 | 27.0 | 27.0 | 27.5 | 27.5 | 27.5 | 27.5 |
| Media Specialists | 8.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.6 | 9.6 | 9.5 |
| Subtotal | 1,012.7 | 971.3 | 966.3 | 978.6 | 975.1 | 975.3 | 986.7 | 1,000.6 | 983.4 | 973.1 |
| Support personnel: | | | | | | | | | | |
| Nurse (RN) | 8.0 | 8.0 | 9.0 | 9.0 | 9.0 | 8.0 | 8.0 | 8.6 | 8.6 | 8.6 |
| Finance Director | - | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Associate Professionals | 26.0 | | | | | | | | | |
| Other Professionals | 27.0 | 26.6 | 26.6 | 25.9 | 26.5 | 26.1 | 28.7 | 29.1 | 26.6 | 24.4 |
| Instructional Assistants | 266.6 | 263.0 | 255.3 | 251.5 | 244.3 | 229.2 | 222.2 | 216.9 | 207.2 | 200.9 |
| Office/Clerical Personnel | 117.8 | 113.5 | 111.8 | 114.1 | 113.5 | 115.6 | 118.9 | 120.0 | 120.1 | 115.3 |
| Crafts & Trades Personnel | 25.0 | 23.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 |
| Operative Personnel | 38.4 | 36.0 | 37.0 | 36.9 | 34.6 | 33.1 | 35.4 | 36.8 | 35.4 | 32.7 |
| Laborers | 11.0 | 14.0 | 14.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 |
| Service Workers | 161.8 | 75.9 | 77.0 | 76.5 | 77.5 | 77.5 | 79.9 | 80.0 | 80.9 | 78.8 |
| Subtotal | 681.6 | 561.0 | 553.7 | 549.9 | 541.4 | 525.5 | 529.1 | 527.4 | 514.8 | 496.7 |
| Total | <u>1,750.30</u> | <u>1,602.30</u> | <u>1,590.00</u> | <u>1,599.50</u> | <u>1,585.50</u> | <u>1,569.30</u> | <u>1,586.30</u> | <u>1,602.5</u> | <u>1,572.2</u> | <u>1,544.8</u> |

Source: District records

SIOUX CITY COMMUNITY SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Enrollment</u> | <u>Operating Expenditures*</u> | <u>Cost Per Pupil</u> | <u>Percentage Change</u> | <u>Expenses**</u> | <u>Cost Per Pupil</u> | <u>Percentage Change</u> | <u>Teaching Staff</u> | <u>Pupil-Teacher Ratio</u> | <u>% of Students Receiving Free or Reduced Price Meals</u> |
|--------------------|-------------------|--------------------------------|-----------------------|--------------------------|-------------------|-----------------------|--------------------------|-----------------------|----------------------------|--|
| 2006 | 14,139 | \$ 115,235,004 | \$ 8,150 | 4.14% | \$ 124,128,629 | \$ 8,779 | 5.52% | 936 | 15.11 | N/A |
| 2007 | 14,049 | 121,568,704 | 8,653 | 6.17% | 131,202,121 | 9,339 | 6.38% | 946 | 14.85 | 48.27% |
| 2008 | 13,898 | 131,727,074 | 9,478 | 9.53% | 143,207,007 | 10,304 | 10.34% | 964 | 14.42 | 50.37% |
| 2009 | 13,735 | 134,081,223 | 9,762 | 3.00% | 149,409,154 | 10,878 | 5.57% | 950 | 14.46 | 51.03% |
| 2010 | 13,873 | 136,873,646 | 9,866 | 1.07% | 151,778,894 | 10,941 | 0.58% | 939 | 14.77 | 52.60% |
| 2011 | 13,823 | 141,200,600 | 10,215 | 3.54% | 159,094,343 | 11,509 | 5.19% | 939 | 14.72 | 58.73% |
| 2012 | 13,766 | 146,002,754 | 10,606 | 3.83% | 162,315,083 | 11,791 | 2.45% | 943 | 14.60 | 60.77% |
| 2013 | 13,929 | 147,719,802 | 10,605 | 0.00% | 165,143,694 | 11,856 | 0.55% | 929 | 14.99 | 62.57% |
| 2014 | 14,132 | 152,502,953 | 10,791 | 1.77% | 169,391,980 | 11,986 | 1.10% | 935 | 15.11 | 60.09% |
| 2015 | 14,332 | 162,355,706 | 11,328 | 4.98% | 177,095,104 | 12,357 | 3.09% | 933 | 15.36 | 60.37% |

Source: District financial records.

Notes:

* Operating expenditures are total governmental expenditures less debt service and capital outlays.

** Expenses are total school district expenses from the Statement of Activities.

N/A: Information not available.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

CERTIFIED TEACHING STAFF SALARIES

LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Minimum</u> | <u>Maximum</u> | <u>Average</u> |
|--------------------|----------------|----------------|----------------|
| 2006 | \$ 27,712 | \$ 56,878 | \$ 45,380 |
| 2007 | 28,534 | 58,539 | 48,826 |
| 2008 | 29,409 | 62,481 | 51,753 |
| 2009 | 30,249 | 64,403 | 55,199 |
| 2010 | 30,739 | 65,393 | 55,871 |
| 2011 | 30,739 | 66,018 | 56,315 |
| 2012 | 30,984 | 66,513 | 56,900 |
| 2013 | 31,434 | 71,312 | 57,836 |
| 2014 | 32,434 | 72,452 | 59,200 |
| 2015 | 38,439 | 74,009 | 59,348 |

Source: District financial records.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

| School | Fiscal Year | | | | | | | | | |
|----------------------|-------------|--------|--------|--------|--------|--------|---------|---------|---------|---------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Elementary: | | | | | | | | | | |
| Bryant (1890) | | | | | | | | | | |
| Square Feet | 43,251 | 43,251 | 43,251 | 43,251 | 43,251 | 38,275 | 38,275 | 38,275 | 38,275 | 38,611 |
| Enrollment | 453 | 453 | 441 | 433 | 433 | 450 | 455 | 461 | 444 | 470 |
| Clark (1957) | | | | | | | | | | |
| Square Feet | 27,079 | 27,079 | 27,079 | 27,079 | 27,079 | 23,980 | 23,980 | 23,980 | 23,980 | 24,959 |
| Enrollment | 240 | 240 | 231 | 238 | 238 | 272 | 276 | 284 | 298 | 312 |
| Crescent Park (1920) | | | | | | | | | | |
| Square Feet | 52,563 | 52,563 | 52,563 | 52,563 | 52,563 | 39,205 | 39,205 | 39,205 | 39,205 | 32,563 |
| Enrollment | 236 | 236 | 262 | 255 | 255 | 254 | 234 | 231 | 266 | 215 |
| Emerson (1921) | | | | | | | | | | |
| Square Feet | 27,964 | 27,964 | 27,964 | 27,964 | 27,964 | 25,622 | 25,622 | 25,622 | 25,622 | Closed |
| Enrollment | 226 | 226 | 227 | 231 | 231 | 193 | 211 | 216 | 200 | - |
| Everett (1888) | | | | | | | | | | |
| Square Feet | 24,071 | 24,071 | 24,071 | 24,071 | 24,071 | 30,021 | | | | |
| Enrollment | 300 | 300 | 297 | 324 | 324 | 307 | Closed | | | |
| Hawthorne (1891) | | | | | | | | | | |
| Square Feet | 42,411 | 42,411 | 42,411 | | | | | | | |
| Enrollment | 225 | 225 | 196 | Closed | | | | | | |
| Hunt (1906) | | | | | | | | | | |
| Square Feet | 29,596 | 29,596 | 29,596 | 29,596 | 29,596 | 33,618 | 33,618 | 33,618 | 33,618 | 31,512 |
| Enrollment | 221 | 221 | 234 | 240 | 240 | 280 | 280 | 292 | 291 | 327 |
| Irving (2005) | | | | | | | | | | |
| Square Feet | 88,000 | 88,000 | 88,000 | 88,000 | 88,000 | 92,567 | 92,567 | 92,567 | 92,567 | 88,000 |
| Enrollment | 621 | 621 | 607 | 659 | 659 | 706 | 635 | 653 | 746 | 754 |
| Joy (1912) | | | | | | | | | | |
| Square Feet | 25,481 | 25,481 | 25,481 | 25,481 | 25,481 | 27,499 | 27,499 | | | |
| Enrollment | 264 | 264 | 256 | 264 | 264 | 257 | 255 | Closed | | |
| Leeds (1938) | | | | | | | | | | |
| Square Feet | 48,374 | 48,374 | 48,374 | 96,000 | 96,000 | 96,677 | 96,677 | 96,677 | 96,677 | 90,800 |
| Enrollment | 232 | 232 | 230 | 565 | 565 | 580 | 602 | 596 | 610 | 642 |
| Liberty (2012) | | | | | | | | | | |
| Square Feet | | | | | | | 114,392 | 114,696 | 114,696 | 113,716 |
| Enrollment | | | | | | | 711 | 766 | 807 | 776 |
| Lincoln (1953) | | | | | | | | | | |
| Square Feet | 34,458 | 34,458 | 34,458 | 34,458 | 34,458 | 27,254 | 27,254 | 27,254 | 27,254 | 28,458 |
| Enrollment | 269 | 269 | 286 | 243 | 243 | 289 | 307 | 277 | 296 | 281 |

Source: District records.

SIoux CITY COMMUNITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(CONTINUED)

| <u>School</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>Fiscal Year</u> | | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--------------------|-------------|-------------|-------------|-------------|--------------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | <u>2010</u> | <u>2011</u> | | | | |
| Elementary: | | | | | | | | | | |
| Loess Hills (2014) | | | | | | | | | | 89,172 |
| Square Feet | | | | | | | | | | 549 |
| Enrollment | | | | | | | | | | |
| Longfellow (1893) | | | | | | | | | | |
| Square Feet | 30,289 | 30,289 | 30,289 | 30,289 | 30,289 | 33,159 | 33,159 | | | |
| Enrollment | 291 | 291 | 288 | 312 | 312 | 292 | 287 | Closed | | |
| Lowell (1910) | | | | | | | | | | |
| Square Feet | 23,240 | 23,240 | 23,240 | | | | | | | |
| Enrollment | 231 | 231 | 213 | Closed | | | | | | |
| McKinley (1921) | | | | | | | | | | |
| Square Feet | 19,820 | 19,820 | 19,820 | | | | | | | |
| Enrollment | 222 | 222 | 222 | Closed | | | | | | |
| Nodland (1969) | | | | | | | | | | |
| Square Feet | 29,391 | 29,391 | 29,391 | 29,391 | 29,391 | 30,080 | 30,080 | 30,080 | 30,080 | 29,391 |
| Enrollment | 187 | 187 | 218 | 213 | 213 | 249 | 244 | 229 | 239 | 240 |
| Riverside (1958) | | | | | | | | | | |
| Square Feet | 59,518 | 59,518 | 59,518 | 59,518 | 59,518 | 61,314 | 61,314 | 61,314 | 61,314 | 56,198 |
| Enrollment | 388 | 388 | 412 | 382 | 382 | 390 | 314 | 325 | 321 | 272 |
| Roosevelt (1920) | | | | | | | | | | |
| Square Feet | 22,697 | 22,697 | 22,697 | 22,697 | 22,697 | 25,270 | 25,270 | 25,270 | 25,270 | |
| Enrollment | 196 | 196 | 229 | 242 | 242 | 250 | 243 | 249 | 219 | Closed |
| Smith (1899) | | | | | | | | | | |
| Square Feet | 35,462 | 35,462 | 35,462 | 35,462 | 35,462 | 35,462 | | | | |
| Enrollment | 361 | 361 | 337 | 365 | 365 | 354 | Closed | | | |
| Spalding (2012) | | | | | | | | | | |
| Square Feet | | | | | | | 107,066 | 107,066 | 107,066 | 107,066 |
| Enrollment | | | | | | | | 592 | 616 | 619 |
| Sunnyside (1957) | | | | | | | | | | |
| Square Feet | 29,771 | 29,771 | 29,771 | 29,771 | 29,771 | 22,765 | 22,765 | 22,765 | 22,765 | 22,771 |
| Enrollment | 210 | 210 | 203 | 196 | 196 | 212 | 198 | 216 | 217 | 232 |
| Unity (2008) | | | | | | | | | | |
| Square Feet | | | | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 |
| Enrollment | | | | 408 | 408 | 474 | 479 | 488 | 506 | 530 |
| Washington (1921) | | | | | | | | | | |
| Square Feet | 33,693 | 33,693 | 33,693 | 33,693 | 33,693 | 34,154 | 34,154 | 34,154 | 34,154 | 34,154 |
| Enrollment | 403 | 403 | 417 | 410 | 410 | 381 | 378 | 375 | 339 | 327 |
| Whittier (1902) | | | | | | | | | | |
| Square Feet | 33,693 | 33,693 | 33,693 | 33,693 | 33,693 | 41,606 | 41,606 | 41,606 | 41,606 | 41,606 |
| Enrollment | 380 | 380 | 405 | 343 | 343 | 355 | 365 | 346 | 376 | 334 |

Source: District records.

SIoux CITY COMMUNITY SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(CONTINUED)

| School | Fiscal Year | | | | | | | | | |
|------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Middle Schools: | | | | | | | | | | |
| East Middle School (2002) | | | | | | | | | | |
| Square Feet | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 200,808 |
| Enrollment | 938 | 938 | 956 | 944 | 944 | 1,041 | 1,042 | 1,027 | 988 | 981 |
| North Middle School (2005) | | | | | | | | | | |
| Square Feet | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 | 198,000 |
| Enrollment | 1,158 | 1,158 | 1,118 | 1,080 | 1,080 | 1,040 | 986 | 1,022 | 1,023 | 1,018 |
| West Middle School (2001) | | | | | | | | | | |
| Square Feet | 177,000 | 177,000 | 177,000 | 177,000 | 177,000 | 177,000 | 177,000 | 177,000 | 177,000 | 192,050 |
| Enrollment | 965 | 965 | 925 | 886 | 886 | 859 | 884 | 914 | 894 | 921 |
| Hoover Middle School (1964) | | | | | | | | | | |
| Square Feet | | | | | | | | | | |
| Enrollment | | | | | | | | | | |
| Woodrow Wilson Middle (1925) | | | | | | | | | | |
| Square Feet | | | | | | | | | | |
| Enrollment | | | | | | | | | | |
| High Schools: | | | | | | | | | | |
| East High School (1972) | | | | | | | | | | |
| Square Feet | 209,876 | 209,876 | 209,876 | 209,876 | 209,876 | 239,876 | 239,876 | 239,876 | 239,876 | 244,752 |
| Enrollment | 1,259 | 1,259 | 1,261 | 1,264 | 1,264 | 1,294 | 1,199 | 1,262 | 1,298 | 1,319 |
| North High School (1972) | | | | | | | | | | |
| Square Feet | 210,954 | 210,954 | 210,954 | 210,954 | 210,954 | 240,954 | 240,954 | 240,954 | 240,954 | 247,482 |
| Enrollment | 1,438 | 1,438 | 1,488 | 1,369 | 1,369 | 1,439 | 1,305 | 1,338 | 1,326 | 1,392 |
| West High School (1972) | | | | | | | | | | |
| Square Feet | 213,966 | 213,966 | 213,966 | 213,966 | 213,966 | 243,966 | 243,966 | 143,966 | 143,966 | 258,929 |
| Enrollment | 1,287 | 1,287 | 1,228 | 1,176 | 1,176 | 1,248 | 1,174 | 1,160 | 1,168 | 1,176 |
| Central Campus (1951) | | | | | | | | | | |
| Square Feet | 119,612 | 119,612 | 119,612 | 119,612 | 119,612 | | | | | |
| Enrollment | 329 | 329 | 228 | 277 | 277 | Closed | | | | |
| Harry Hopkins Center (2011) | | | | | | | | | | |
| Career Academy | | | | | | | | | | |
| Square Feet | | | | | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |

Source: District records.

SIoux CITY COMMUNITY SCHOOL DISTRICT

HISTORICAL RETAIL SALES IN WOODBURY COUNTY

| Fiscal Year Ended <u>March 31</u> | <u>Sales</u> |
|--|------------------|
| 2006 | \$ 1,239,908,750 |
| 2007 | 1,255,481,141 |
| 2008 | 1,389,519,496 |
| 2009 | 1,435,082,705 |
| 2010 | 1,412,347,496 |
| 2011 | 1,450,964,146 |
| 2012 | 1,504,848,899 |
| 2013 | 1,558,513,511 |
| 2014 | 1,583,966,510 |
| 2015 | 1,703,936,549 |

Source: Iowa Department of Revenue-Sales and Use Tax Quarterly Reports

SIoux CITY COMMUNITY SCHOOL DISTRICT

SALES TAX REVENUE

| <u>Fiscal</u> <u>Year</u> | <u>Revenue</u> |
|------------------------------|----------------|
| 2006 | \$ 9,491,719 |
| 2007 | 11,083,850 |
| 2008 | 10,917,911 |
| 2009 | 11,340,639 |
| 2010 | 10,381,619 |
| 2011 | 11,096,938 |
| 2012 | 11,654,660 |
| 2013 | 11,969,819 |
| 2014 | 12,123,178 |
| 2015 | 13,490,987 |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

OUTSTANDING GENERAL OBLIGATION DEBT (PRINCIPAL AND INTEREST)

| <u>Fiscal Year</u> | <u>Capital Loan Notes</u> | <u>Total</u> |
|------------------------|-------------------------------|---------------------|
| 2016 | \$ 93,817 | \$ 93,817 |
| 2017 | 93,817 | 93,817 |
| 2018 | 93,817 | 93,817 |
| 2019 | 93,817 | 93,817 |
| 2020 | 93,817 | 93,817 |
| 2021-2025 | 469,083 | 469,083 |
| 2026-2029 | <u>328,358</u> | <u>328,358</u> |
| Totals | <u>\$ 1,266,526</u> | <u>\$ 1,266,526</u> |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

DEBT ANNUAL MATURITY SCHEDULE

Qualified School Construction Bonds, Series 2009

| Fiscal Year | Principal | Interest | Total |
|-------------|--------------|--------------|--------------|
| 2016 | \$ - | \$ 201,000 | \$ 201,000 |
| 2017 | - | 201,000 | 201,000 |
| 2018 | - | 201,000 | 201,000 |
| 2019 | - | 201,000 | 201,000 |
| 2020 | - | 201,000 | 201,000 |
| 2021-2025 | - | 1,005,000 | 1,005,000 |
| 2026 | 7,500,000 | 100,500 | 7,600,500 |
| Totals | \$ 7,500,000 | \$ 2,110,500 | \$ 9,610,500 |

Sales Tax 2010

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------|--------------|---------------|
| 2016 | \$ - | \$ 600,000 | \$ 600,000 |
| 2017 | - | 600,000 | 600,000 |
| 2018 | - | 600,000 | 600,000 |
| 2019 | - | 600,000 | 600,000 |
| 2020 | - | 600,000 | 600,000 |
| 2021-2025 | - | 3,000,000 | 3,000,000 |
| 2026-2030 | 15,000,000 | 2,282,000 | 17,282,000 |
| Totals | \$ 15,000,000 | \$ 8,282,000 | \$ 23,282,000 |

Sales Tax 2012

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------|--------------|---------------|
| 2016 | \$ - | \$ 308,548 | \$ 308,548 |
| 2017 | - | 308,548 | 308,548 |
| 2018 | - | 308,548 | 308,548 |
| 2019 | - | 308,548 | 308,548 |
| 2020 | - | 308,548 | 308,548 |
| 2021-2025 | - | 1,542,740 | 1,542,740 |
| 2026-2030 | 10,000,000 | 672,169 | 10,672,169 |
| Totals | \$ 10,000,000 | \$ 3,757,649 | \$ 13,757,649 |

Sales Tax 2013

| Fiscal Year | Principal | Interest | Total |
|-------------|--------------|--------------|---------------|
| 2016 | \$ 595,000 | \$ 264,141 | \$ 859,141 |
| 2017 | 605,000 | 252,191 | 857,191 |
| 2018 | 625,000 | 239,991 | 864,991 |
| 2019 | 645,000 | 227,391 | 872,391 |
| 2020 | 665,000 | 214,226 | 879,226 |
| 2021-2025 | 3,375,000 | 765,110 | 4,160,110 |
| 2026-2030 | 2,615,000 | 166,580 | 2,781,580 |
| Totals | \$ 9,125,000 | \$ 2,149,630 | \$ 11,274,630 |

Sales Tax 2014

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------|--------------|---------------|
| 2016 | \$ - | \$ 975,000 | \$ 975,000 |
| 2017 | 2,625,000 | 948,750 | 3,573,750 |
| 2018 | 2,665,000 | 882,525 | 3,547,525 |
| 2019 | 2,715,000 | 801,825 | 3,516,825 |
| 2020 | 2,770,000 | 719,550 | 3,489,550 |
| 2021-2025 | 15,075,000 | 2,288,325 | 17,363,325 |
| 2026-2030 | 7,525,000 | 411,825 | 7,936,825 |
| Totals | \$ 33,375,000 | \$ 7,027,800 | \$ 40,402,800 |

Sales Tax 2015A

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------|--------------|---------------|
| 2016 | \$ - | \$ 298,650 | \$ 298,650 |
| 2017 | 25,000 | 367,196 | 392,196 |
| 2018 | 25,000 | 363,589 | 388,589 |
| 2019 | 50,000 | 362,678 | 412,678 |
| 2020 | 50,000 | 361,463 | 411,463 |
| 2021-2025 | 9,750,000 | 1,297,013 | 11,047,013 |
| 2026-2027 | 5,100,000 | 125,145 | 5,225,145 |
| Totals | \$ 15,000,000 | \$ 3,175,734 | \$ 18,175,734 |

Sales Tax 2015B

| Fiscal Year | Principal | Interest | Total |
|-------------|--------------|--------------|---------------|
| 2016 | \$ - | \$ 206,313 | \$ 206,313 |
| 2017 | 50,000 | 253,688 | 303,688 |
| 2018 | 50,000 | 252,348 | 302,348 |
| 2019 | 100,000 | 250,338 | 350,338 |
| 2020 | 930,000 | 236,536 | 1,166,536 |
| 2021-2025 | 5,044,000 | 789,581 | 5,833,581 |
| 2026-2028 | 3,317,000 | 133,718 | 3,450,718 |
| Totals | \$ 9,491,000 | \$ 2,122,522 | \$ 11,613,522 |

General Obligation Capital Loan Notes

| Fiscal Year | Principal | Interest | Total |
|-------------|--------------|-----------|--------------|
| 2016 | \$ 83,132 | \$ 10,685 | \$ 93,817 |
| 2017 | 83,005 | 10,812 | 93,817 |
| 2018 | 83,839 | 9,978 | 93,817 |
| 2019 | 84,681 | 9,136 | 93,817 |
| 2020 | 85,532 | 8,285 | 93,817 |
| 2021-2025 | 440,720 | 28,363 | 469,083 |
| 2026-2029 | 321,875 | 6,483 | 328,358 |
| Totals | \$ 1,182,784 | \$ 83,742 | \$ 1,266,526 |

Summary - Debt Service Requirements to Maturity

| Fiscal Year | Principal | Interest | Total |
|-------------|----------------|---------------|----------------|
| 2016 | \$ 678,132 | \$ 2,864,337 | \$ 3,542,469 |
| 2017 | 3,388,005 | 2,942,185 | 6,330,190 |
| 2018 | 3,448,839 | 2,857,979 | 6,306,818 |
| 2019 | 3,594,681 | 2,760,915 | 6,355,596 |
| 2020 | 4,500,532 | 2,649,608 | 7,150,140 |
| 2021-2025 | 33,684,720 | 10,736,132 | 44,420,852 |
| 2026-2030 | 51,378,875 | 3,898,420 | 55,277,295 |
| Totals | \$ 100,673,784 | \$ 28,709,576 | \$ 129,383,360 |

SIOUX CITY COMMUNITY SCHOOL DISTRICT

ESTIMATED DEBT SERVICE AND COVERAGE ON THE BONDS

| Without Revenue Growth | | | | |
|------------------------|-------------------------|---------------|--------------|----------|
| Fiscal Year | Sales Tax Revenue Bonds | | | |
| | Debt Service | | | Coverage |
| | Revenue | Principal | Interest | |
| 2015 | \$ 13,402,877 | \$ 24,863,020 | \$ 2,913,016 | \$ 0.48 |
| 2016 | 13,173,875 | 1,068,020 | 3,154,964 | 3.12 |
| 2017 | 13,173,875 | 3,778,020 | 3,185,310 | 1.89 |
| 2018 | 13,173,875 | 3,838,020 | 2,848,001 | 1.97 |
| 2019 | 13,173,875 | 3,983,020 | 2,751,780 | 1.96 |
| 2020 | 13,173,875 | 4,888,020 | 2,641,323 | 1.75 |
| 2021 | 13,173,875 | 5,204,020 | 2,513,081 | 1.71 |
| 2022 | 13,173,875 | 7,585,020 | 2,349,463 | 1.33 |
| 2023 | 13,173,875 | 7,741,020 | 2,151,865 | 1.33 |
| 2024 | 13,173,875 | 7,908,020 | 1,948,639 | 1.34 |
| 2025 | 13,173,875 | 7,596,020 | 1,744,719 | 1.41 |
| 2026 | 13,173,875 | 7,826,000 | 1,431,567 | 1.42 |
| 2027 | 13,173,875 | 11,546,000 | 1,096,172 | 1.04 |
| 2028 | 13,173,875 | 9,210,000 | 788,208 | 1.32 |
| 2029 | 13,173,875 | 9,085,000 | 472,208 | 1.38 |
| 2030 | 6,589,937 | 5,465,000 | 103,788 | 1.18 |

| With 2 Percent Revenue Growth | | | | |
|-------------------------------|-------------------------|---------------|--------------|----------|
| Fiscal Year | Sales Tax Revenue Bonds | | | |
| | Debt Service | | | Coverage |
| | Revenue | Principal | Interest | |
| 2015 | \$ 13,402,877 | \$ 24,863,020 | \$ 2,913,016 | \$ 0.48 |
| 2016 | 13,437,561 | 1,068,020 | 3,154,964 | 3.18 |
| 2017 | 13,706,309 | 3,778,020 | 3,185,310 | 1.97 |
| 2018 | 13,980,441 | 3,838,020 | 2,848,001 | 2.09 |
| 2019 | 14,260,047 | 3,983,020 | 2,751,780 | 2.12 |
| 2020 | 14,545,248 | 4,888,020 | 2,641,323 | 1.93 |
| 2021 | 14,836,154 | 5,204,020 | 2,513,081 | 1.92 |
| 2022 | 15,132,876 | 7,585,020 | 2,349,463 | 1.52 |
| 2023 | 15,435,534 | 7,741,020 | 2,151,865 | 1.56 |
| 2024 | 15,744,244 | 7,908,020 | 1,948,639 | 1.60 |
| 2025 | 16,059,129 | 7,596,020 | 1,744,719 | 1.72 |
| 2026 | 16,380,312 | 7,826,000 | 1,431,567 | 1.77 |
| 2027 | 16,707,917 | 11,546,000 | 1,096,172 | 1.32 |
| 2028 | 17,042,076 | 9,210,000 | 788,208 | 1.70 |
| 2029 | 17,382,918 | 9,085,000 | 472,208 | 1.82 |
| 2030 | 8,865,288 | 5,465,000 | 103,788 | 1.59 |

Notes: Details regarding the District's outstanding debt can be found in Note 5 of the notes to the financial statements.

SIoux CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

| <u>GRANTOR/PROGRAM</u> | <u>CFDA Number</u> | <u>GRANT Number</u> | <u>Expenditures</u> |
|---|------------------------|-------------------------|----------------------|
| Direct: | | | |
| U.S. Department of the Interior Office: Bureau of Indian Education Indian Education - Assistance to Schools | 15.130 | | \$ 173,353 |
| U.S. Department of Education Office: Bureau of Postsecondary Education Gaining Early Awareness and Readiness for Undergraduate Programs | 84.334 | | 101,992 |
| Total Direct | | | <u>\$ 275,345</u> |
| Indirect: | | | |
| U.S. Department of Agriculture Office: Food and Nutrition Service Passed through Iowa Department of Education: Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | FY15 | \$ 1,006,892 |
| National School Lunch Program | 10.555 | FY15 | 4,840,915 * |
| Total Child Nutrition Cluster | | | <u>\$ 5,847,807</u> |
| Fresh Fruit and Vegetable Program | 10.582 | FY15 | 231,708 |
| Total U.S. Department of Agriculture Office: Food and Nutrition Service | | | <u>\$ 6,079,515</u> |
| U.S. Department of Education: Passed through Iowa Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | FY15 | \$ 3,840,830 |
| Career and Technical Education - Basic Grants to States | 84.048 | FY15 | 224,243 |
| Rehabilitation Services - Vocational Rehabilitation Grants to States | 84.126 | FY15 | 97,057 |
| Safe and Drug-Free Schools and Communities - National Programs | 84.184 | FY15 | 198,377 |
| Education of Homeless Children and Youth | 84.196 | FY15 | 35,000 |
| Advanced Placement Program | 84.330 | FY15 | 4,419 |
| English Language Acquisition State Grants | 84.365 | FY15 | 267,243 |
| Improving Teacher Quality State Grants | 84.367 | FY15 | 616,933 |
| Grants for State Assessments and Related Activities | 84.369 | FY15 | 223,578 |
| Special Education Cluster (IDEA): Passed through Iowa Department of Education: | | | |
| Special Education - Grants to States | 84.027 | FY15 | \$ 106,239 |
| Passed through Northwest Area Education Agency: | | | |
| Special Education - Grants to States | 84.027 | FY15 | 773,103 |
| Total Special Education Cluster (IDEA) | | | <u>\$ 879,342</u> |
| Total U.S. Department of Education | | | <u>\$ 6,387,022</u> |
| U.S. Department of Health and Human Services: Passed through Iowa Department of Education: | | | |
| Substance Abuse and Mental Health Services - Projects of Regional and National Significance | 93.243 | FY15 | \$ 53,261 |
| Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Programs | 93.938 | FY15 | 700 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 53,961</u> |
| U.S. Department of Homeland Security: Passed through Iowa Department of Education: | | | |
| Disaster Grants - Public Assistance | 97.036 | FY15 | \$ 12,538 |
| Total U.S. Department of Homeland Security | | | <u>\$ 12,538</u> |
| Total Indirect | | | <u>\$ 12,533,036</u> |
| Total Federal Expenditures | | | <u>\$ 12,808,381</u> |

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Sioux City Community School District under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Sioux City Community School District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Sioux City Community School District.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years are reported as negative amounts on the Schedule. Pass-through entity identifying numbers are presented where available.

* - includes \$615,621 of non-cash awards.

SIOUX CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2015

Part I: Summary of the Independent Auditors' Results:

- (a) Unmodified opinions were issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over 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 disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - Child Nutrition Cluster:
 - CFDA #10.553 School Breakfast Program
 - CFDA #10.555 National School Lunch Program
 - CFDA #84.027 Special Education - Grants to States
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$384,251.
- (i) The Sioux City Community School District did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards:

No matters were reported.

Part IV: Other Findings Related to Statutory Reporting:

IV-A-15 Certified Budget - Expenditures for the year ended June 30, 2015 exceeded the certified budget amount in the support services function.

Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before 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 may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

SIOUX CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2015

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

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's 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 insure that the coverage is adequate for current operations.

IV-F-15 Board Minutes - The schedules of bills were not published as required by Chapter 279.35 of the Code of Iowa.

Recommendation - The schedule of bills should be published at least once a month.

Response - Procedures will be reviewed to ensure compliance with Chapter 279.35 of the Code of Iowa.

Conclusion - Response accepted.

IV-G-15 Certified Enrollment - The Iowa Department of Education identified variances in the 2014-2015 Certified Enrollment.

Recommendation - The District will work with the external auditors to communicate the correction to both the Iowa Department of Management and the Iowa Department of Education.

Response - We will work with the external auditors to communicate and correct the variances.

IV-H-15 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-I-15 Deposits and Investments - No instances of noncompliance 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 non-compliance 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 following information includes the amounts the District reported for the statewide sales, services and use tax revenue in the District's CAR including adjustments identified during the fiscal year 2015 audit.

SIOUX CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2015

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

| | | |
|---|--------------------|---------------------|
| Beginning balance | | \$ 6,761,066 |
| Statewide sales, services and use tax | | 13,402,877 |
| Expenditures/transfers out: | | |
| School infrastructure: | | |
| Buildings, equipment and other improvements | \$ (4,409,750) | |
| Debt service for school infrastructure: | | |
| Revenue debt | <u>(7,978,434)</u> | <u>(12,388,184)</u> |
| Ending balance | | <u>\$ 7,775,759</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.



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

To the Board of Education
Sioux City Community School District
Sioux City, Iowa

Report on Compliance for Each Major Federal Program

We have audited the Sioux City 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 the Sioux City Community School District's major federal programs for the year ended June 30, 2015. The Sioux City Community School District's major federal programs are identified in the summary of auditors' 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 the Sioux City 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 the Sioux City 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 the Sioux City Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Sioux City 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 the Sioux City 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 the Sioux City 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-33, 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 the Sioux City 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.

Sioux City, Iowa
December 18, 2015

King, Keinsch, Prosser & Co., L.L.P.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Education
Sioux City Community School District
Sioux City, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sioux City Community School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Sioux City Community School District's basic financial statements and have issued our report thereon dated December 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sioux City 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 the Sioux City Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sioux City 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 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 and 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 the Sioux City 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, noncompliance 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 Sioux City Community School 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 Sioux City Community School 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.

Sioux City, Iowa
December 18, 2015

King, Heinsch, Proster + Co., L.L.P.