



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

For the Fiscal Year Ended June 30, 2016

2300 Chaney Road, Dubuque, Iowa 52001

In the Counties of Dubuque and Jackson, State of Iowa

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

For the Fiscal Year Ended June 30, 2016

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

OFFICE ISSUING REPORT
Business Office

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INTRODUCTORY SECTION



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

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

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

THE BOARD OF EDUCATION VALUES

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



December 12, 2016

Mr. Mike Donohue, President,
Members of the Board of Education, and
Residents of the Dubuque Community School District

We are pleased to submit to you the Comprehensive Annual Financial Report for the Dubuque Community School District for the fiscal year ended June 30, 2016. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International. Responsibility for the accuracy of data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data is presented in a manner designed to fairly present the financial position and results of operations of the District, as measured by the financial activity of the various funds; that all disclosures necessary to enable the reader to gain a comprehensive understanding of the District's financial activity have been included; and the information provided is complete and accurate in all material respects.

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

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

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

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

Introductory Section – This section includes the District Mission Statement, this transmittal letter, the District's organizational chart, a list of principal officers, the District's consultants and advisors, and a Certificate of Excellence in Financial Reporting from the Association of School Business Officials.

Financial Section – This section includes the independent auditor’s report, the Management’s Discussion and Analysis (MD&A), the basic financial statements, notes to the financial statements, required supplementary information, and other supplementary information.

Statistical Section – This section includes selective financial, economic, and demographic information for up to a ten-year period and has been thoroughly revised in accordance with GASB Statement 44, Economic Condition Reporting: The Statistical Section.

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

This letter of transmittal is designed to complement the Management’s Discussion and Analysis included within the financial section of the CAFR and should be read in conjunction with it.

The current Comprehensive Annual Financial Report will be submitted to the Association of School Business Officials International (ASBO) for review for the ASBO Certificate of Excellence.

Reporting Entity and Its Services

The Dubuque Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades pre-school through twelve.

The District was organized in 1856. The District is supported financially by legislatively appropriated state aid, property taxes, local option sales and services tax, state and federal grants for special projects and local revenue received in the form of tuition and other miscellaneous income items. The District is governed by a seven-member board of education. Effective with the September 2009 election, school board members are elected to four-year terms and elections are held only in odd-numbered years, as opposed to annual elections under previous law. All board members are elected at large.

The District provides a full range of educational services for residents of the Dubuque Community School District appropriate to students in early childhood and grades kindergarten through twelve. These services include basic, regular and enriched academic education, special education for identified children with qualifying special needs, vocational education and many individualized programs such as specialized instruction for students at-risk and students whose primary language is not English. The official enrollment of the District as of October 2015 (the official count date) was 10,588 students. This District is the eighth largest of Iowa’s 336 public school systems. According to the Iowa Department of Education, projected enrollments remain flat over the next few years. The District operates two regular high schools, three middle schools, and thirteen elementary schools.

The financial statements include all funds, agencies, boards, and commissions. The District has also considered all actual and potential component units for which it is financially accountable and all other organizations where the nature of significance of their relationship with the District are such that exclusion would cause the District’s financial statements to be misleading or incomplete. The criteria considered in determining financial accountability of any entity to the District include appointing a voting majority of an organization’s governing body, and (1) the ability of the District to impose its will on that organization; and/or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Dubuque Community School District has no component units that meet the Governmental Accounting Standards Board criteria.

Accounting System

All funds of the District are presented in this report and have been audited by the District's independent certified public accountants, Jim Kircher & Associates, P.C.

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

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

Relevant Financial Policies

The Dubuque Community School District operates under the laws as defined in Code of Iowa and policies as determined by the local Board of Directors. A comprehensive accounting system is promulgated by the Iowa Department of Education including account numbers for revenues and expenditures by function and object. The District additionally tracks revenues by source of funds and expenditures by location, curricular program and funding source. Annual budgets are provided to the Department of Management and annual financial reports are provided to the Iowa Department of Education in their prescribed formats. Periodic financial reports are submitted to the Iowa Department of Education or other granting agencies for many federal and state grants.

The State of Iowa funding formula for Iowa school districts' General Fund is pupil driven. An increase in spending authority occurs in two different ways, either an increase in pupils or an increase in State Supplemental Aid which is set by the state legislature. Under state law, the legislature has thirty (30) days after receiving the Governor's budget recommendation to set the percentage of growth (State Supplemental Aid) for the following budget year. To illustrate, the 2014 legislature sets the FY 2015-16 percent. This percentage growth is very important to districts as this is the basis for planning purposes, budgeting purposes, and negotiating union contracts. For the past several years, the legislature has not followed their legal responsibility in setting the growth rate in thirty (30) days which makes planning, budgeting, and negotiating much harder to accomplish. For FY 2016-17, State Supplemental Aid was signed by the Governor in April of 2016, which is after the legal date for FY 2016-17.

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

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

For fiscal year 2015-16, listed below are the District's benchmarks and actual amounts;

	<u>Benchmark</u>	<u>Actual</u>
Cash Balance	\$31,837,839	\$23,519,133
Solvency Ratio	5% - 15%	9.2%
Unspent Balance	\$10,514,007	\$10,627,941

The District did not meet the cash balance benchmark and met and/or exceeded the other benchmarks. There were small declines in all three areas for the year ended June 30, 2016. The District is expecting small declines again in the 2016-17 fiscal year and will need to monitor the financial benchmarks throughout the year to see if budget reduction plans for the 2017-18 fiscal year are needed.

Budgeting

The District's Board of Education annually adopts and certifies a budget following a public hearing and approves the related appropriations for the general, special revenue, debt service, capital projects and enterprise funds in accordance with provisions outlined in the statutes of the State of Iowa. The budgets and financial statements for the governmental fund types are prepared on a modified accrual basis and the budget and financial statements for the enterprise funds are prepared on the accrual basis. A schedule comparing the original and amended budget to actual revenues and expenditures/expenses is included as required supplementary information.

For management control, the line-item budgets are reviewed for variances. However, since a budget is a plan, overage or underage on a line-item basis is allowed if sufficient funds are available on a major program basis. Iowa law requires the formal and legal budgetary control for the certified budget to be based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs, and other expenditures.

Management's Discussion and Analysis

The Management's Discussion and Analysis provides a narrative overview and a detailed analysis of the changes in the District's financial position.

Major Initiatives and Achievements

In September of 2002, local voters approved a one-cent local option sales and services tax for school infrastructure. With that sales tax funding, the District was able to develop a plan for the future. Beginning in February 2003, a group of citizens made up a public planning task force. Working with the School Board, they began to develop a plan on choosing locations for a new middle school, replacement downtown elementary school and a new west-end elementary school. The next step was to design a new middle school, a replacement downtown elementary school, a west-end elementary school, as well as certain essential repairs and renovations to one of the existing high school buildings. Plans for construction were approved and bids taken for each project. Construction was completed in August 2005 on the new 206,000 square foot Eleanor Roosevelt Middle School. The new 66,000 square foot Prescott Elementary School has been completed and opened in August of 2006. The new 66,000 square foot George Washington Carver Elementary School was completed and opened in August of 2007. Also extensive remodeling and additional classrooms were done at Stephen Hempstead High School during this period. The District issued revenue bonds in October 2004, January 2005, January 2006, and January 2007 to finance the new construction, with sales tax revenues paying off the bonds. These bonds were either paid off or refinanced through three new issuances in December 2009 and February 2010 at a lower interest rate.

The State of Iowa has subsequently enacted legislation that extended the statewide sales tax to 2029. Because of this extension, the District has developed a long-term facilities plan and a long-term technology plan to strategically use these additional funds to complement the District Strategic Plan.

In FY 2013-14, the District completed a large facility project and started two large facility projects. They included an approximately \$10,100,000 stadium renovation project at Senior High School that was completed in the summer of 2013 and an approximately \$33,000,000 multi-year remodel/addition project at Hempstead High School, and an approximately \$6,600,000 remodel/addition multi-year project at Kennedy Elementary School. The Kennedy Elementary School project was completed during FY 2014-15 while the Hempstead High School project was completed in FY 2015-16. During the 2014-15 fiscal year, the District conducted a study and began architectural drawings on a major remodel/addition project budgeted at \$30,000,000 at Senior High School. During FY 2015-16, work on this project began and is expected to continue through FY 2018-19. All of these projects have been funded with sales tax revenue and sales tax revenue bonds. The District issued \$10,000,000 bonds in April 2012, \$10,000,000 in April 2013, \$13,033,000 in March 2014, and \$15,960,000 in January 2015. The District issued \$10,000,000 in December of 2016 and will need to issue additional bonds in the future in order to complete the Senior project.

Economic Condition and Outlook

The City of Dubuque's location in the tri-state area of Iowa, Illinois, and Wisconsin provides the area with a regional economic importance. The city has been endorsed as an All-American City in 2007, 2012, and 2013. The regional tax base is strong; the property tax base of the Dubuque Community School District itself is below the state average. The per pupil property tax valuation ranks 191 out of 336 school districts in the state. The strong regional retail market continues to provide wealth to the community. The strong regional market is illustrated by various convention and tourism activities.

The State of Iowa's school funding formula projects a controlled budget based on October's enrollment for the current budget year multiplied by a legislatively approved cost per pupil for the subsequent budget year. The per pupil allowable cost for budget year 2015-16 was \$6,453. The State Supplemental Aid rate for FY 2016-17 is at 2.25% which equates to a per pupil amount of \$6,598.

In light of these circumstances, the School District must continue to operate in the most efficient manner during 2016-17 to help ensure adequate funding for staff, services, and supplies.

Independent Audit

The accounting firm of Jim Kircher & Associates, P.C., was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Compliance Supplement. The auditor's report on the basic financial statements, combining and individual fund statements, and other schedules is included in the financial section of this report. The auditors have issued an unmodified "clean" opinion on the Dubuque Community School District's financial statements for the year ended June 30, 2016. The Independent Auditor's Report is located in the financial section of this report.

Certificate of Achievement for Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence to the District for their Comprehensive Annual Financial Report. In order to be awarded this certificate, the District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. This certificate is valid for a period of one year only. We believe

our current report conforms to these requirements and we are submitting it to ASBO International to determine its eligibility for a certificate from this organization.

Other Matters

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

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

We wish to take this opportunity to thank the Business Department staff, in particular, Rick Till and Joan Steffen that assisted in obtaining and organizing data, the Dubuque County Auditor and Treasurer Offices and the city and county officials who provided much needed information. Without all of the above groups' efforts, the report could not have been completed.

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

Very truly yours,



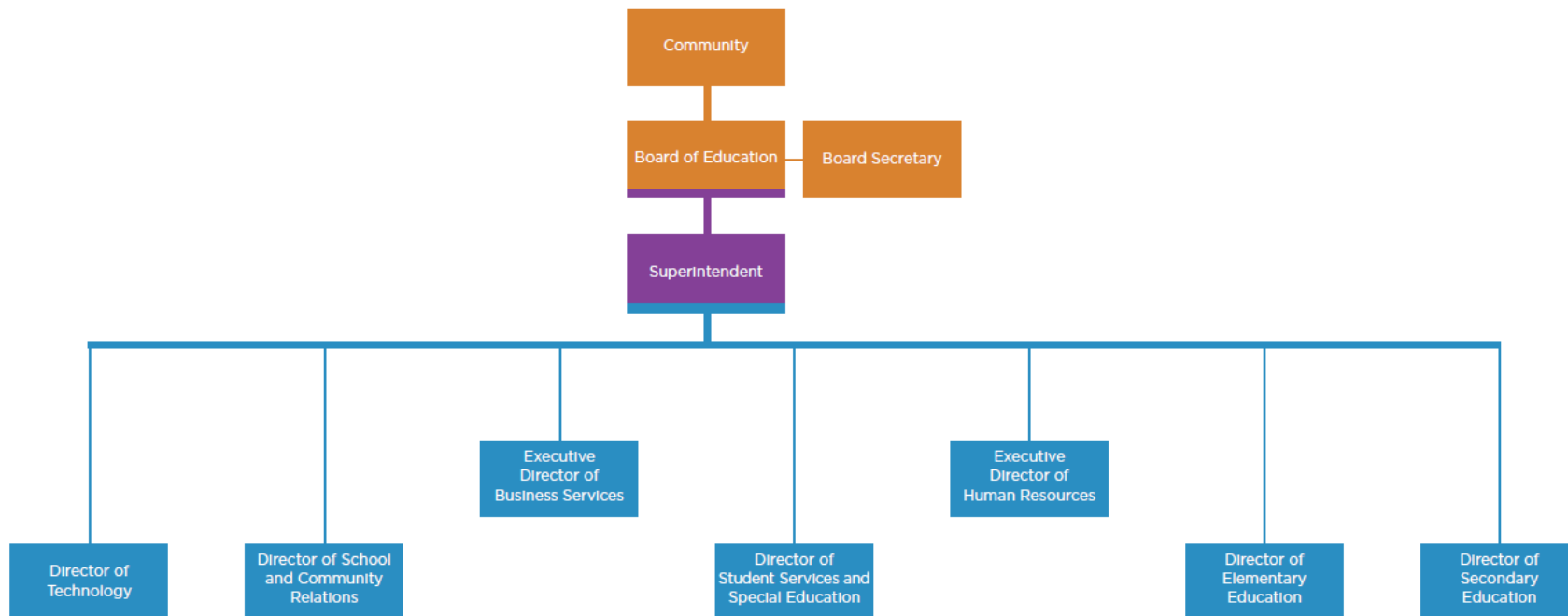
Kevin Kelleher
Executive Director of Finance and Business Services



Stan Rheingans
Superintendent of Schools



ORGANIZATIONAL CHART



Dubuque Community School District

Board of Education

Year Ended June 30, 2016

		Term Expires:
Mike Donohue	President	September 2019
Tami Ryan	Vice-President	September 2019
Tom Barton	Board Member	September 2019
Lisa Wittman	Board Member	September 2019
Craig Beytien	Board Member	September 2017
Jim Prochaska	Board Member	September 2017
Terra Siegert	Board Member	September 2017

Dubuque Community School District

School District Administration

Year Ended June 30, 2016

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

Directors

Coby Culbertson	Director of Technology
Michael Cyze	Director Community/School Relations
David Olson	Director of Secondary Education, Alternative Programs & Staff Development
Nancy Bradley	Director of Elementary Education and Staff Development
Rozanne Warder	Director of Special Education
Shirley Horstman	Director of Student Services

Business Office

Rick Till	Assistant Director of Business Services
Amy VanderMeulen	Manager of Payroll and Benefits
Bill Burkhart	Manager of Buildings and Grounds
Charlie Clasen	Assistant Manager of Buildings and Grounds
Kris Hall	Manager of Transportation
Sue Shaul	Assistant Manager of Transportation
Joann Franck	Manager of Food Services
Kelsey Carey	Assistant Manager of Food Services

Dubuque Community School District

Consultants and Advisors

Year Ended June 30, 2016

Certified Public Accountants

Jim Kircher & Associates, P.C.
815 Century Drive
Dubuque, IA 52002

Bond Attorneys

Ahlers & Cooney, PC
100 Court Avenue, Suite 600
Des Moines, IA 50309

General Counsel

Fuerste, Carew, Juergens & Sudmeier, P.C.
200 Security Building
151 West 8th Street
Dubuque, IA 52001

Insurance Consultants

The Friedman Group, Inc.
909 Main Street
Dubuque, IA 52001

Financial Advisors

Piper Jaffray
3900 Ingersoll Avenue, Suite 110
Des Moines, IA 50312

Dubuque Community School District

Consultants and Advisors

Year Ended June 30, 2016

Official Depositories

Premier Bank
2625 NW Arterial
Dubuque, IA 52002

American Trust & Savings Bank
895 Main St.
Dubuque, IA 52001

Dubuque Bank & Trust
1398 Central
Dubuque, IA 52001

US Bank
270 W 7th St.
Dubuque, IA 52001

Bankers Trust
453 7th Street
Des Moines, IA 50309

Fidelity Bank
4250 Asbury Road
Dubuque, IA 52002



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Dubuque Community School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ending June 30, 2015**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION

Telephone 563/556-3392

FAX 563/556-3443

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

815 Century Drive
Dubuque, Iowa 52002

Independent Auditor's Report

To the Board of Education of
Dubuque Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Dubuque Community School District, Dubuque, Iowa, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Dubuque Community School District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of Net Pension Liability, the Schedule of District Contributions, and the Schedule of Funding Progress for the Retiree Health Plan on pages 20 through 32 and 74 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dubuque Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2015 (which are not presented herein) and expressed unmodified opinions on those financial statements. The combining nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and the accompanying Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016, on our consideration of Dubuque Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dubuque Community School District's internal control over financial reporting and compliance.

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
December 12, 2016

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

Dubuque Community School District (the "District") provides this Management's Discussion and Analysis of its financial statements. The narrative overview and analysis focuses on the financial activities for the fiscal year ended June 30, 2016. Please read this information in conjunction with the District's financial statements, which immediately follow this section.

2016 FINANCIAL HIGHLIGHTS

- Funding levels for Iowa K-12 school districts depend principally on two factors: first, changes in enrollment and second, changes in *per pupil district cost*. Of these two factors, changes in *per pupil district cost* normally have the larger impact on District funding. *Per pupil district cost* is an amount annually set by state government. This amount has historically been determined by applying a percentage increase to the prior year's amount. The percentage increase was 1.25% for FY 2015-16, 4.0% for FY 2014-15, 2.0% for FY 2013-14, and 2.0% for FY 2012-13. This percentage amount has a substantial impact on district-funding levels.
- The District's enrollment has been relatively steady in recent years. From October 2015 to 2016, there was a decrease of 32 students. The prior three years have seen relative steady enrollment levels. The Iowa Department of Education projects stable enrollment over the next several years.
- General fund revenues increased by \$5.3 million (4.5%) in FY 2015-16. Major components of this change include a \$4.5 million increase in state aid, a \$4.0 million increase from real estate taxes and a \$3.2 million decrease in miscellaneous income.
- General fund expenses increased by \$0.1 million (0.0%) in this fiscal year. Salaries and benefits comprise 82.4% of general fund expenditures for FY 2015-16 as compared to 81.3% of general fund expenditures for FY 2014-15.
- General fund excess of expenses over revenues resulted in a \$2.1 million decrease in fund balance and a \$0.1 million decrease in cash/investments. Estimated unspent balance also decreased by \$0.5 million.
- The District's total net position decreased by \$0.5 million (0.7%) this fiscal year primarily due to the District increase in salary and benefit expenditures.
- The District monitors the three primary school district financial indicators of cash/investments, solvency ratio, and unspent balance. These indicators are measured at year end and compared to prior-years' results, state standards, and other districts' results. For FY 2015-16 results, please refer to Page 7, Introductory Section, Relevant Financial Policies.
- The Local Option Sales Tax, now called the Secure an Advanced Vision for Education ("SAVE") fund is used to build new facilities and improve old ones. The District collected approximately \$10.1 million of sales tax revenue in FY 2015-16 most of which was used to pay construction costs, bond principal and interest, and the District technology plan. The collection amount substantially exceeds revenue projections made in January 2003 when the sales tax referendum first passed.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which the District acts solely as an agent or custodian for the benefit of those outside of the District.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

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

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide financial statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors such as changes in the District's property-tax base and the condition of school buildings and other facilities need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business-type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law or by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has three kinds of funds:

1) *Governmental funds:* Most of the District's basic services are included in governmental funds which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more, or fewer, financial resources that can be spent in the near future to finance the District's programs.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES, continued

The District's governmental funds include the general fund, special revenue funds, debt service fund, and capital projects funds.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's enterprise fund, one type of proprietary fund, is the same as its business-type activities but provide more detail and additional information, such as cash flows. The District currently has one enterprise fund, the school nutrition fund.

The required financial statements for proprietary funds include a statement of net position, a statement of revenues, expenses and changes in fund net position and a statement of cash flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include private-purpose trust and agency funds.

- Private-purpose trust fund – The District accounts for outside donations for scholarships for individual students in this fund.
- Agency funds – These are funds through which the District administers and accounts for certain federal and/or state grants on behalf of other districts and certain revenue collected for employee related expenditures.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include a statement of fiduciary net position and a statement of changes in fiduciary net position.

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

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2016, compared to June 30, 2015.

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

	Governmental Activities		Business-type Activities		Total District		Total Percentage Change
	2015	2016	2015	2016	2015	2016	2015-16
Current and other assets	\$109,046,262	\$112,002,128	\$ 943,974	\$1,211,188	\$109,990,236	\$113,213,316	2.9%
Capital assets	135,940,969	135,910,009	180,689	164,626	136,121,658	136,074,635	0.0
Total assets	\$244,987,231	\$247,912,137	\$1,124,663	\$1,375,814	\$246,111,894	\$249,287,951	1.3%
Deferred outflows of resources	\$ 9,783,307	\$ 19,611,277	\$ 244,170	\$ 566,981	\$ 10,027,477	\$ 20,178,258	101.2%
Current liabilities	\$ 17,039,903	\$ 17,085,337	\$ 7,649	\$ 18,307	\$ 17,047,552	\$ 17,103,644	0.3%
Long-term liabilities	97,465,532	108,974,053	1,252,203	1,567,265	98,717,735	110,541,318	12.0
Total liabilities	\$114,505,435	\$126,059,390	\$1,259,852	\$1,585,572	\$115,765,287	\$127,644,962	10.3%
Deferred inflows of resources	\$ 61,568,705	\$ 63,300,069	\$ 486,746	\$ 656,363	\$ 62,055,451	\$ 63,956,432	3.1%
Net position:							
Net investment in capital assets	\$ 88,077,969	\$ 94,302,695	\$ 180,689	\$ 164,626	\$ 88,258,658	\$ 94,467,321	7.0%
Restricted	32,900,265	32,970,043	0	0	32,900,265	32,970,043	0.2
Unrestricted	(42,281,836)	(49,108,783)	(558,454)	(463,766)	(42,840,290)	(49,572,549)	15.7
Total net position	\$ 78,696,398	\$ 78,163,955	\$ (377,765)	\$ (299,140)	\$ 78,318,633	\$ 77,864,815	(0.6%)

The District's total net position decreased 0.6%, or \$453,818, from the prior year. The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased approximately \$69,778 or 0.2%, over the prior year.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased approximately \$6,732,259, or 15.7%. This reduction in unrestricted net position was primarily a result of the District's net pension liability and net pension expense recorded in the current year.

(continued on the next page)

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Figure A-4 shows the change in net position for the year ended June 30, 2016, compared to the year ended June 30, 2015.

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

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2015	2016	2015	2016	2015	2016	2015-16
Revenues							
Program revenues							
changes for							
services	\$ 5,092,390	\$ 4,971,760	\$2,472,084	\$2,311,069	\$ 7,564,474	\$ 7,282,829	(3.7%)
Operating grants	23,329,640	23,910,881	2,758,432	3,191,161	26,088,072	27,102,042	3.9
& contributions	0	0	0	0	0	0	0.0
Capital grants &							
contributions	0	0	0	0	0	0	0.0
General revenues							
property taxes							
and other taxes	55,737,249	55,900,563	0	0	55,737,249	55,900,563	0.3
Unrestricted							
state grants	54,664,713	55,500,389	0	0	54,664,713	55,500,389	1.5
Other	1,030,944	1,591,327	2,256	5,841	1,033,200	1,597,168	54.6
Total revenues	\$139,854,936	\$141,874,920	\$5,232,772	\$5,508,071	\$145,087,708	\$147,382,991	1.6%
Expenses							
Instruction	\$ 87,066,710	\$ 87,389,442	\$ 0	\$ 0	\$ 87,066,710	\$ 87,389,442	0.4%
Support services							
student and							
instructional							
services	12,108,063	12,558,780	0	0	12,108,063	12,558,780	3.7
Administrative							
and business	13,683,311	14,132,095	0	0	13,683,311	14,132,095	3.3
Maintenance and							
operations	10,753,161	11,698,648	0	0	10,753,161	11,698,648	8.8
Transportation	4,906,348	4,841,702	0	0	4,906,348	4,841,702	(1.3)
Non-instructional	184,930	160,756	4,988,071	5,267,411	5,173,001	5,428,167	4.9
Other	11,413,217	11,625,940	163,677	162,035	11,576,894	11,787,975	1.8
Total expenses	\$140,115,740	\$142,407,363	\$5,151,748	\$5,429,446	\$145,267,488	\$147,836,809	1.8%
Change in net position	\$ (260,804)	\$ (532,443)	\$ 81,024	\$ 78,625	\$ (179,780)	\$ (453,818)	(152.4%)
Beginning net Position, as restated	78,957,202	78,696,398	(458,789)	(377,765)	78,498,413	78,318,633	(0.2)
Ending net position	\$ 78,696,398	\$ 78,163,955	\$ (377,765)	\$ (299,140)	\$ 78,318,633	\$ 77,864,815	(0.6%)

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

In fiscal year 2016, general revenues property taxes and other taxes and unrestricted state grants accounted for 78.5% of governmental activities revenue while program charges for service and operating grants, contributions, and restricted interest accounted for 99.9% of business-type activities revenue. The District's total revenues were approximately \$147.4 million, of which approximately \$141.9 million was for governmental activities and approximately \$5.5 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced a 1.6% increase in revenues and a 1.8% increase in expenses. Operating grants and contributions increased approximately \$1.0 million, unrestricted state grants increased approximately \$0.8 million and property tax increased approximately \$0.2 million. The increase in expenses is mainly related to increases in negotiated salaries and benefits.

Governmental Activities

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs, and other expenses.

Figure A-5:
Total and Net Cost of Governmental Activities
Years Ended June 30,

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2015	2016	2015-16	2015	2016	2015-16
Instruction	\$ 87,066,710	\$ 87,389,442	0.4%	\$ 66,725,419	\$ 66,603,218	(0.2%)
Support services student and instructional services	12,108,063	12,558,780	3.7	9,536,376	9,978,556	4.6
Administrative and business	13,683,311	14,132,095	3.3	13,683,311	14,132,095	3.3
Maintenance and operations	10,753,161	11,698,648	8.8	10,753,161	11,698,648	8.8
Transportation	4,906,348	4,841,702	(1.3)	4,326,113	4,306,894	(0.4)
Non-instructional	184,930	160,756	(13.1)	184,930	160,756	(13.1)
Other	11,413,217	11,625,940	1.9	6,484,400	6,644,555	2.5
Total	\$140,115,740	\$142,407,363	1.6%	\$111,693,710	\$113,524,722	1.6%

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

Business-Type Activities

District maintains only one activity within the business-type activities classification, and this is its school nutrition fund. School nutrition fund revenues increased by \$271,714 over the prior year which represents a 5.2% increase. The school nutrition fund balances increased slightly this year due to operations.

INDIVIDUAL FUND ANALYSIS

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the District as a whole is reflected in its government funds. At June 30, 2016, total government fund balance was \$44,380,092.

Governmental Fund Highlights

- The District's general fund and cash/investment balance fund balance and unspent balance all decreased in the 2015-16 fiscal year. At June 30, 2016, the estimated unspent balance was \$10,627,941.
- Salaries and benefits comprise about 82.4% of the general fund expenditures. These expenditures increased \$1,480,831 due primarily to the negotiated settlements with the District's eight different bargaining units.
- The physical plant and equipment levy (PPEL) fund balance decreased by \$392,240 in FY 2015-16. The decrease was caused by a new interpretation by the Iowa Department of Education which required the District to pay rent to third party providers of special education services. The District carefully monitors this fund to ensure balances are carried over from year-to-year in order to meet possible unexpected emergency costs and also to take advantage of property acquisition opportunities.
- Within the statewide sales, services, and use tax fund, revenues are generated by two main sources. They are the issuance of sales tax revenue bonds and sales taxes generated by statewide retail purchases. The statewide sales tax is now called Secure an Advanced Vision for Education (SAVE), formerly the Local Option Sales Tax (LOST). With regards to SAVE, the legislature recently passed legislation which did two things; first created a sunset date that this new provision would be in effect through June 30, 2029; and second, created a provision which required all collections of sales tax funds be put into a statewide pool which is then distributed on a district per pupil basis. For the 2015-16 fiscal year, the District received \$10,149,186 in sales tax revenue. These dollars were used to fund ongoing capital projects.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

Proprietary Fund Highlights

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

BUDGETARY HIGHLIGHTS

The District maintains two types of budgets. The first is the *certified budget* which must meet certain state publication and monitoring requirements and is filed in April for the following year. The second is a management budget (sometimes called *line-item* budget) which is used by District administration to control and monitor expenditures. The *certified budget* needs to be tabulated in the following four functional areas: instruction, total support services, non-instructional programs, and total other expenditures. The District amended its original budget in 2015-16 for an increase in expenditures from \$150,388,053 to \$153,888,053 to reflect increased expenses for student technology purchases, furniture purchased as part of the Hempstead High School renovation, and rent paid to third party providers of special education services.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the District had invested \$136.1 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, infrastructure equipment, and transportation equipment. The year-end balance is a 0.0% decrease over the prior year. More detailed information about the District's capital assets is presented in its Note 4 to the Financial Statements. Depreciation expense for the year was \$6,499,942.

The District is collecting approximately \$10 million annually from this fund source and it is anticipated its capital assets will continue to increase over the course of sales tax collection.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION, continued

**Figure A-6
Capital Assets, Net of Depreciation
June 30, 2016**

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2015-16
	2015	2016	2015	2016	2015	2016	
Land	\$ 7,492,362	\$ 7,492,362	\$ 0	\$ 0	\$ 7,492,362	\$ 7,492,362	0.0%
Construction in progress	30,982,503	2,513,548	0	0	30,982,503	2,513,548	(91.9)
Buildings and improvements	80,035,511	109,579,087	0	0	80,035,511	109,579,087	36.9
Land improvements	11,717,905	11,186,824	0	0	11,717,905	11,186,824	(4.5)
Furniture and equipment	5,712,688	5,138,188	180,689	164,626	5,893,377	5,302,814	(10.0)
Total	\$135,940,969	\$135,910,009	\$180,689	\$164,626	\$136,121,658	\$136,074,635	0.0%

The District currently has a bus replacement plan whereby it normally purchases six to ten school buses each year. The Board's intent is to retain only school buses that are ten years old or newer.

The District continued work on the architectural study and drawings of the \$30,000,000 remodel/renovation/addition at Senior High School which involves an additional gymnasium, cafeteria, library, and administrative area.

Long-term Debt

At June 30, 2016, the District had \$46,473,000 in revenue bond debt outstanding. This represents a decrease of approximately 2.9% from the prior year and results from bond principal paid during the year. The majority of the outstanding debt is secured by a first lien against sales tax collections. See Note 5 to the Financial Statements for additional information.

**Figure A-7
Outstanding Long-term Bond Obligations
June 30, 2016**

	Total District		Total Change
	2015	2016	2015-16
Revenue bonds	\$47,863,000	\$46,473,000	(\$1,390,000)

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its future financial health:

- The level of *unspent balance* has been declining in recent years due to low percentages of State Supplemental Aid. The percentages have been lower than the increase in District costs. For FY 2016-17 the percentage increase is 2.25% so the District will need to monitor expenditures and how they affect future years' unspent balance. The budget planning for the District becomes much more difficult when the State legislature does not approve the State Supplemental Aid rate in a timely manner. This was the case for FY 2016-17, as the Governor approved the State Supplemental Aid rate in April of 2016 which is 14 months after the legally required date. This timing also makes it very difficult for the District to negotiate contracts for the upcoming year with the eight bargaining units. Additions to *unspent balance* are controlled by the State of Iowa. The District continues to apply to the State School Budget Review Committee for *modified allowable growth* (a direct addition to *unspent balance*) whenever possible. District administration will continue to work with the State of Iowa Department of Education to ascertain when requests for *modified allowable growth* are appropriate.
- Because of the continued decrease of the unspent balance, the District developed a \$3,000,000 budget reduction plan during FY 2015-16 which was implemented for FY 2016-17. This plan reduced expenditures by \$2,000,000 at the District administrative offices and \$1,000,000 at the school level. This plan was accomplished without reducing the number of teachers in the classroom.
- The Instructional Support Levy (ISL) is used to support a variety of education programs including the following:
 - ◆ Full-day, every day kindergarten in every elementary school.
 - ◆ Grades K-3 class-size reduction.
 - ◆ Upgrading outdated equipment in classrooms, science and industrial technology labs, print centers, and the transportation department.
 - ◆ Restoration of site-based funding that was discontinued in prior years.

For years prior to 2008-09, the District's ISL rate was 5%. On February 3, 2009, the District's voters passed a referendum for a 10% ISL for fiscal years 2009-10 through 2018-19. This increases the District's spending authority by approximately \$2.6 million per year.

- District employees are covered by the Iowa Public Employees Retirement System (IPERS). This system has experienced recent-year increases in its unfunded actuarial liability resulting in a change to both employer and employee contribution rates. Wage levels will likely rise due to inflation and negotiated settlements. The IPERS' rate for the upcoming fiscal years is scheduled to remain unchanged.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2016

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE, continued

- In December 2016, the District issued \$10,000,000 of School Infrastructure Sales, Services and Use Tax Revenue Bonds for continued renovations at Senior High School, and/or other school infrastructure projects.
- Iowa school district funding faces many challenges in future years. Approximately \$83 million of District revenues (primarily state aid) come from sources that are funded by state income, sales, and use taxes. These state revenues are expected to increase slightly for FY 2016-17 when compared to FY 2015-16 amounts. The state of the economy impacts Iowa general fund revenues. These revenues ultimately support state school aid. The economy of Iowa has slowly been improving which is reflected by the large cash balances at the state level. How that improvement will be reflected in school funding is yet to be determined.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kevin Kelleher, Executive Director of Finance and Business Services, Dubuque Community School District, 2300 Chaney Road, Dubuque, Iowa 52001.

Basic Financial Statements

Dubuque Community School District
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 55,008,015	\$ 1,032,224	\$ 56,040,239
Receivables:			
Property tax:			
Delinquent	325,294	0	325,294
Succeeding year	51,092,890	0	51,092,890
Accounts	94,162	1,894	96,056
Interest	0	0	0
Due from other governments	5,061,495	13,755	5,075,250
Inventories	410,272	163,315	573,587
Security deposit	10,000	0	10,000
Total current assets	\$112,002,128	\$1,211,188	\$113,213,316
Non-current assets:			
Capital assets not being depreciated	\$ 10,267,242	\$ 0	\$ 10,267,242
Capital assets net of accumulated depreciation/amortization	125,642,767	164,626	125,807,393
Total non-current assets	\$135,910,009	\$ 164,626	\$136,074,635
Total assets	\$247,912,137	\$1,375,814	\$249,287,951
Deferred Outflows of Resources:			
Pension related deferred outflows	\$ 19,611,277	\$ 566,981	\$ 20,178,258
Total deferred outflows of resources	\$ 19,611,277	\$ 566,981	\$ 20,178,258
Liabilities:			
Current liabilities:			
Accounts payable	\$ 2,762,405	\$ 3,268	\$ 2,765,673
Salaries and benefits payable	12,700,012	15,039	12,715,051
Early retirement payable	289,711	0	289,711
Due to other governments	658,585	0	658,585
Security deposit payable	10,000	0	10,000
Accrued interest payable	664,624	0	664,624
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	1,960,000	0	1,960,000
Compensated absences	614,718	0	614,718
Portion due after one year:			
Revenue bonds	44,513,000	0	44,513,000
Net pension liability	53,034,486	1,313,084	54,347,570
Net OPEB liability	8,851,849	254,181	9,106,030
Total liabilities	\$126,059,390	\$1,585,572	\$127,644,962
Deferred Inflows of Resources:			
Succeeding year property tax	\$ 51,092,890	\$ 0	\$ 51,092,890
Pension related deferred inflows	12,098,746	555,871	12,654,617
Other	108,433	100,492	208,925
Total deferred inflows of resources	\$ 63,300,069	\$ 656,363	\$ 63,956,432
Net position:			
Net investment in capital assets	\$ 94,302,695	\$ 164,626	\$ 94,467,321
Restricted for:			
Teacher salary supplement	308,165	0	308,165
Professional development	250,989	0	250,989
Market factor incentives	34,620	0	34,620
Four-year-old preschool state aid	92,387	0	92,387
Professional development for model core curriculum	355,949	0	355,949
Textbook aid for non-public students	3,269	0	3,269
Successful progression for early readers	0	0	0
Student activities	828,340	0	828,340
Management levy	8,257,566	0	8,257,566
Physical plant and equipment levy	12,818,094	0	12,818,094
Capital projects	3,990,037	0	3,990,037
Debt service	6,030,627	0	6,030,627
Unrestricted	(49,108,783)	(463,766)	(49,572,549)
Total net position	\$ 78,163,955	\$ (299,140)	\$ 77,864,815

See notes to financial statements.

Dubuque Community School District
Statement of Activities
Year Ended June 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions, and Restricted Interest	Governmental Activities	Business-type Activities	Total
Functions/Programs						
Governmental activities:						
Instruction:						
Regular instruction	\$ 48,402,477	\$ 1,096,538	\$ 7,958,950	\$ (39,346,989)	\$ 0	\$ (39,346,989)
Special instruction	25,267,315	1,975,701	7,542,275	(15,749,339)	0	(15,749,339)
Other instruction	13,719,650	1,848,681	364,079	(11,506,890)	0	(11,506,890)
	<u>\$ 87,389,442</u>	<u>\$ 4,920,920</u>	<u>\$ 15,865,304</u>	<u>\$ (66,603,218)</u>	<u>\$ 0</u>	<u>\$ (66,603,218)</u>
Support services:						
Student services	\$ 6,382,523	\$ 0	\$ 513,900	\$ (5,868,623)	\$ 0	\$ (5,868,623)
Instructional staff services	6,176,257	0	2,066,324	(4,109,933)	0	(4,109,933)
Administration services	14,132,095	0	0	(14,132,095)	0	(14,132,095)
Operation & maintenance of plant services	11,698,648	0	0	(11,698,648)	0	(11,698,648)
Transportation services	4,841,702	50,840	483,968	(4,306,894)	0	(4,306,894)
	<u>\$ 43,231,225</u>	<u>\$ 50,840</u>	<u>\$ 3,064,192</u>	<u>\$ (40,116,193)</u>	<u>\$ 0</u>	<u>\$ (40,116,193)</u>
Non-instructional programs	<u>\$ 160,756</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (160,756)</u>	<u>\$ 0</u>	<u>\$ (160,756)</u>
AEA flowthrough	\$ 4,981,385	\$ 0	\$ 4,981,385	\$ 0	\$ 0	\$ 0
Interest and other charges	1,336,998	0	0	(1,336,998)	0	(1,336,998)
Other post-employment benefits	1,073,418	0	0	(1,073,418)	0	(1,073,418)
Depreciation and other expenses (unallocated)*	4,234,139	0	0	(4,234,139)	0	(4,234,139)
	<u>\$ 11,625,940</u>	<u>\$ 0</u>	<u>\$ 4,981,385</u>	<u>\$ (6,644,555)</u>	<u>\$ 0</u>	<u>\$ (6,644,555)</u>
Total governmental activities	<u>\$142,407,363</u>	<u>\$4,971,760</u>	<u>\$23,910,881</u>	<u>\$ (113,524,722)</u>	<u>\$ 0</u>	<u>\$ (113,524,722)</u>
Business-type activities:						
Non-instructional programs:						
Nutrition services	\$ 5,267,411	\$ 2,311,069	\$ 3,191,161	\$ 0	\$ 234,819	\$ 234,819
Total	<u>\$147,674,774</u>	<u>\$7,282,829</u>	<u>\$27,102,042</u>	<u>\$ (113,524,722)</u>	<u>\$ 234,819</u>	<u>\$ (113,289,903)</u>
General Revenues:						
Property tax levied for:						
General purposes				\$ 42,164,620	\$ 0	\$ 42,164,620
Capital outlay				3,586,757	0	3,586,757
Local option sales tax				10,149,186	0	10,149,186
Unrestricted state grants				55,500,389	0	55,500,389
Unrestricted investment earnings				304,274	5,841	310,115
Miscellaneous				1,125,018	0	1,125,018
Total general revenues				<u>\$ 112,830,244</u>	<u>\$ 5,841</u>	<u>\$ 112,836,085</u>
Transfers				162,035	(162,035)	0
Total general revenues and transfers				<u>\$ 112,992,279</u>	<u>\$ (156,194)</u>	<u>\$ 112,836,085</u>
Change in net position				\$ (532,443)	78,625	(453,818)
Net position beginning of year				78,696,398	(377,765)	78,318,633
Net position end of year				<u>\$ 78,163,955</u>	<u>\$ (299,140)</u>	<u>\$ 77,864,815</u>

* This amount excludes the depreciation that is included in the direct expense of the various programs.

See notes to financial statements.

Dubuque Community School District
Balance Sheet
Governmental Funds
June 30, 2016

		General	Capital Projects	Nonmajor	Total
Assets					
Cash and pooled investment		\$23,519,133	\$16,077,779	\$15,411,103	\$ 55,008,015
Receivables:					
Property tax:					
Delinquent		288,858	25,798	10,638	325,294
Succeeding year		45,306,929	3,785,961	2,000,000	51,092,890
Accounts		60,939	0	33,223	94,162
Interest		0	0	0	0
Due from other governments		3,394,949	1,666,546	0	5,061,495
Inventories		410,272	0	0	410,272
Security deposit		10,000	0	0	10,000
Total assets		\$72,991,080	\$21,556,084	\$17,454,964	\$112,002,128
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable		\$ 1,765,355	\$ 953,381	\$ 43,669	\$ 2,762,405
Salaries and benefits payable		12,698,506	0	1,506	12,700,012
Early retirement payable		0	0	289,711	289,711
Due to other governments		658,585	0	0	658,585
Security deposit payable		10,000	0	0	10,000
Total liabilities		\$15,132,446	\$ 953,381	\$ 334,886	\$ 16,420,713
Deferred inflows of resources:					
Succeeding year property tax		\$45,306,929	\$ 3,785,961	\$ 2,000,000	\$ 51,092,890
Other		96,277	8,611	3,545	108,433
Total deferred inflows of resources		\$45,403,206	\$ 3,794,572	\$ 2,003,545	\$ 51,201,323
Fund balances:					
Non-spendable:					
Inventory		\$ 410,272	\$ 0	\$ 0	\$ 410,272
Restricted for:					
Categorical funding:					
Teacher salary supplement		308,165	0	0	308,165
Professional development		250,989	0	0	250,989
Market factor incentives		34,620	0	0	34,620
Four-year-old preschool state aid		92,387	0	0	92,387
Professional development for model core curriculum		355,949	0	0	355,949
Textbook aid for non-public students		3,269	0	0	3,269
Debt service		0	0	6,030,627	6,030,627
Management levy purposes		0	0	8,257,566	8,257,566
Student activities		0	0	828,340	828,340
School infrastructure		0	12,818,094	0	12,818,094
Physical plant and equipment levy		0	3,990,037	0	3,990,037
Unassigned		10,999,777	0	0	10,999,777
Total fund balances		\$12,455,428	\$16,808,131	\$15,116,533	\$ 44,380,092
Total liabilities, deferred inflows of resources and fund balance		\$72,991,080	\$21,556,084	\$17,454,964	\$112,002,128

See notes to financial statements.

Dubuque Community School District
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
Year Ended June 30, 2016

Total fund balances of governmental funds (page 36) \$ 44,380,092

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 135,910,009

Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds. (664,624)

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	\$ 19,611,277	
Deferred inflows of resources	<u>(12,098,746)</u>	
		7,512,531

Long-term liabilities, including bonds payable, compensated absences, and other post-employment benefits payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

Compensated absences	\$ (614,718)	
Bonds payable	(46,473,000)	
Net OPEB liability	(8,851,849)	
Pension liability	<u>(53,034,486)</u>	
		<u>(108,974,053)</u>

Net position of governmental activities (page 34) \$ 78,163,955

See notes to financial statements.

Dubuque Community School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 40,664,356	\$ 3,586,757	\$ 1,500,263	\$ 45,751,376
Tuition	2,409,264	0	0	2,409,264
Other	1,809,111	331,472	2,129,039	4,269,622
State sources	72,328,266	10,290,542	56,196	82,675,004
Federal sources	6,607,619	0	0	6,607,619
Total revenues	\$123,818,616	\$14,208,771	\$ 3,685,498	\$141,712,885
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 47,284,121	\$ 1,844,012	\$ 353,553	\$ 49,481,686
Special instruction	25,286,808	0	208,448	25,495,256
Other instruction	12,185,972	19,680	1,648,999	13,854,651
	\$ 84,756,901	\$ 1,863,692	\$ 2,211,000	\$ 88,831,593
Support services:				
Student services	\$ 6,206,784	\$ 257,082	\$ 55,894	\$ 6,519,760
Instructional staff services	6,033,709	0	66,397	6,100,106
Administration services	11,488,323	2,348,847	287,687	14,124,857
Operation and maintenance of plant services	9,011,252	1,154,937	1,441,227	11,607,416
Transportation services	3,674,856	609,639	187,447	4,471,942
	\$ 36,414,924	\$ 4,370,505	\$ 2,038,652	\$ 42,824,081
Non-instructional programs	\$ 14,871	\$ 0	\$ 137,830	\$ 152,701
Other expenditures:				
Facilities acquisition	\$ 0	\$ 5,336,369	\$ 0	\$ 5,336,369
Debt service:				
Principal	0	0	1,390,000	1,390,000
Interest and other charges	0	7,750	1,322,393	1,330,143
AEA flowthrough	4,981,385	0	0	4,981,385
	\$ 4,981,385	\$ 5,344,119	\$ 2,712,393	\$ 13,037,897
Total expenditures	\$126,168,081	\$11,578,316	\$ 7,099,875	\$144,846,272
Excess (deficiency) of revenues over (under) expenditures	\$ (2,349,465)	\$ 2,630,455	\$(3,414,377)	\$ (3,133,387)
Other financing sources (uses):				
Revenue bonds issued	\$ 0	\$ 0	\$ 0	\$ 0
Compensation for loss of fixed assets	30,263	479,915	0	510,178
Sales of property and equipment	24,410	0	0	24,410
Transfers in	166,454	0	3,259,929	3,426,383
Transfers out	0	(3,259,929)	(4,419)	(3,264,348)
Total other financing sources (uses):	\$ 221,127	\$ (2,780,014)	\$ 3,255,510	\$ 696,623
Net change in fund balances	\$ (2,128,338)	\$ (149,559)	(158,867)	\$ (2,436,764)
Fund balances beginning of year	14,583,766	16,957,690	15,275,400	46,816,856
Fund balances end of year	\$ 12,455,428	\$16,808,131	\$15,116,533	\$ 44,380,092

See notes to financial statements.

Dubuque Community School District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
Year Ended June 30, 2016

Net change in fund balances – total governmental funds (page 38) \$(2,436,764)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Position and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$ 6,536,944	
Depreciation expense	<u>(6,499,942)</u>	
		37,002

Proceeds from the sale of property and equipment are reported in the governmental funds, however, in the Statement of Activities, it is netted against the book value of the assets being deleted and only the gain portion is recognized. (67,962)

Book value of assets retired this year.

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

Issued	\$ 0	
Repaid	<u>1,390,000</u>	
		1,390,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. (6,855)

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 6,608,580

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	\$ (14,058)	
Other post-employment benefits	(1,073,418)	
Pension expense	<u>(4,968,968)</u>	
		<u>(6,056,444)</u>

Change in net position of governmental activities (page 35) \$ (532,443)

See notes to financial statements.

Dubuque Community School District
Statement of Net Position
Proprietary Fund
June 30, 2016

	<u>School Nutrition</u>
Assets:	
Current assets:	
Cash	\$1,032,224
Other receivables	1,894
Due from other governments	13,755
Inventories	<u>163,315</u>
Total current assets	\$1,211,188
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>164,626</u>
Total assets	<u>\$1,375,814</u>
Deferred Outflows of Resources:	
Pension related deferred outflows	\$ <u>566,981</u>
Total deferred outflows of resources	<u>\$ 566,981</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 3,268
Salaries and benefits payable	15,039
Long-term liabilities:	
Net pension liability	1,313,084
Net OPEB liability	<u>254,181</u>
Total liabilities	<u>\$1,585,572</u>
Deferred Inflows of Resources:	
Pension related deferred inflows	\$ 555,871
Other	<u>100,492</u>
Total deferred inflows of resources	<u>\$ 656,363</u>
Net Position:	
Investment in capital assets	\$ 164,626
Unrestricted	<u>(463,766)</u>
Total net position	<u>\$ (299,140)</u>

See notes to financial statements.

Dubuque Community School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2016

	<u>School Nutrition</u>
Operating revenue:	
Local sources:	
Charges for service	\$ 2,273,856
Other	<u>37,213</u>
Total operating revenue	\$ 2,311,069
Operating expenses:	
Support services:	
Administration services	\$ 153,684
Operation and maintenance of plant services	<u>2,550</u>
	<u>\$ 156,234</u>
Non-instructional programs:	
Food service operations:	
Salaries	\$ 1,805,647
Benefits	893,149
Purchased services	4,164
Supplies	2,365,821
Depreciation	41,611
Loss on disposal of assets	<u>785</u>
	<u>\$ 5,111,177</u>
Total operating expenses	<u>\$ 5,267,411</u>
Operating loss	\$(2,956,342)
Non-operating revenue:	
State sources	\$ 39,710
Federal sources	3,151,451
Interest on investments	<u>5,841</u>
Total non-operating revenue	\$ 3,197,002
Net income before transfers	\$ 240,660
Transfers in	0
Transfers out	<u>(162,035)</u>
Change in net position	\$ 78,625
Net position beginning of year	<u>(377,765)</u>
Net position end of year	<u>\$ (299,140)</u>

See notes to financial statements.

Dubuque Community School District
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2016

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 2,237,351
Cash received from miscellaneous operating activities	79,712
Cash payments to employees for services	(2,609,712)
Cash payments to suppliers for goods or services	<u>(2,087,224)</u>
Net cash used in operating activities	<u>\$(2,379,873)</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 39,710
Federal grants received	2,756,494
Transfers from other funds	0
Transfers to other funds	<u>(162,035)</u>
Net cash provided by non-capital financing activities	<u>\$ 2,634,169</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	\$ (26,333)
Cash flows from investing activities:	
Interest on investments	<u>5,841</u>
Net increase in cash and cash equivalents	\$ 233,804
Cash and cash equivalents at beginning of year	<u>798,420</u>
Cash and cash equivalents at end of year	<u>\$ 1,032,224</u>

(continued)

See notes to financial statements.

Dubuque Community School District
Statement of Cash Flows (continued)
Proprietary Fund
Year Ended June 30, 2016

School Nutrition

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

Operating loss	\$(2,956,342)
Adjustments to reconcile operating loss to net cash used in operation activities:	
Commodities used	389,954
Depreciation	41,611
Loss on disposal of assets	785
(Increase) in other receivables	(1,894)
(Increase) in inventories	(26,513)
(Decrease) in accounts payable	(4,381)
Increase in salaries and benefits payable	15,039
Increase in net pension liability	284,239
(Increase) in deferred outflows of resources	(322,811)
Increase in deferred inflows of resources	169,617
Increase in net OPEB liability	<u>30,823</u>
Net cash used in operating activities	<u><u>\$(2,379,873)</u></u>

Non-cash investing, capital, and financial activities:

During the year ended June 30, 2016, the District received \$389,954 of Federal commodities.

See notes to financial statements.

Dubuque Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Private Purpose Trust</u>	<u>Agency</u>
	<u>Scholarship</u>	
Assets:		
Cash	\$143,079	\$26,525
Liabilities:		
Other payables	\$ <u>0</u>	<u>\$26,525</u>
Net Position:		
Reserved for scholarships	<u>\$143,079</u>	<u>\$ 0</u>

See notes to financial statements.

Dubuque Community School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2016

	<u>Private Purpose Trust</u>
	<u>Total</u>
Additions:	
Local sources:	
Other local sources	\$ 6,638
Interest on investments	<u>870</u>
Total revenues	<u>\$ 7,508</u>
Deductions:	
Instruction:	
Regular instruction:	
Other	<u>\$ 12,508</u>
Change in net position	\$ (5,000)
Net position beginning of year	<u>148,079</u>
Net position end of year	<u><u>\$143,079</u></u>

See notes to financial statements.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 1: Summary of Significant Accounting Policies

Dubuque Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades pre-kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Dubuque, Iowa, portions of Dubuque County and Jackson County, Iowa. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Dubuque Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. The Dubuque Community School District has no component units that meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the City of Dubuque and Dubuque Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for service.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

B. Basis of Presentation: (continued)

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

B. Basis of Presentation: (continued)

The other governmental funds of the District are considered nonmajor and are as follows:

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

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

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

The District also reports fiduciary funds which focus on net position and changes in net position.

The District's fiduciary funds include the following:

The Private-Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations, and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days after year end.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

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

Property tax, intergovernmental revenues (shared revenues, grants, and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

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

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

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

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

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

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

Property Tax Receivable – Property tax in the governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2014, assessed property valuations; is for the tax accrual period July 1, 2015, through June 30, 2016, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2015.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants, and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. The costs of governmental fund and proprietary fund inventories are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture, equipment, and intangibles are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. District machinery and equipment with a cost of more than \$5,000 will be capitalized. The Nutrition Fund equipment is capitalized with a cost of more than \$500.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

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

Property, furniture, equipment, and intangibles are depreciated using the straight-line method of depreciation over the following estimated useful lives:

Buildings	50 years
Improvements to buildings and sites	20 years
Furniture and equipment	5-12 years
Intangibles	3-5 years

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

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Advances from Grantors – Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements for all employees. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2016. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-Term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

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

Deferred Inflows of Resources – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources consist of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty (60) days after year end.

Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

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

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

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

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

E. Budgets and Budgetary Accounting

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

F. Subsequent Events

Management has evaluated for subsequent events through December 12, 2016, the date the financial statements were available to be issued. Based on that evaluation, there is one material subsequent event – See Note 11.

Note 2: Cash and Pooled Investments

As of June 30, 2016, the book balance of the District's petty cash totaled \$12,905 and the cash deposit balances totaled \$52,819,283.

As of June 30, 2016, the District had investments as follows:

<u>Investment</u>	<u>Type</u>	<u>Issue Date</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Amount</u>
Iowa Schools Joint					
Investment Trust (ISJIT)	Certificate of Deposit	06/24/16	36 months	06/24/19	\$ 781,655
Dubuque Bank & Trust	Certificate of Deposit	05/22/12	134 months	07/01/23	1,000,000
Iowa Schools Joint					
Investment Trust (ISJIT)	Certificate of Deposit	01/15/15	65 months	06/20/20	<u>1,596,000</u>
					<u>\$3,377,655</u>

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 2: Cash and Pooled Investments: (continued)

Concentration of Credit Risk: The District's general investment policy is to apply the prudent-person rule: In making investments, the District will exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to meet the goals of the investment program.

Custodial Credit Risk: For deposits and investments, this is the risk that, in the event of bank failure, the District's deposits may not be returned to it. Chapter 12C of the Code of Iowa requires all District deposits in banks to be entirely covered by federal depository insurance or by the State Sinking Fund. As of June 30, 2016, the District had no deposits or investments subject to custodial credit risk.

The following is a reconciliation of cash and investments as shown on the financial statements:

Petty cash	\$ 12,905
Cash deposits	52,819,283
Investments	<u>3,377,655</u>
	<u>\$56,209,843</u>
Governmental activities	\$55,008,015
Business-type activities	1,032,224
Fiduciary funds:	
Private Purpose Trust	143,079
Agency	<u>26,525</u>
	<u>\$56,209,843</u>

Note 3: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2016, is as follows:

Transfer to	Transfer from	Amount
General	Proprietary	\$ 162,035
General	Special Revenue: Student Activity	4,419
Debt Service	Capital Projects	<u>3,259,929</u>
Total		<u>\$3,426,383</u>

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2016, is as follows:

	Balance Beginning of Year	Increases / Reclassifications	(Decreases)	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,492,362	\$ 0	\$ 0	\$ 7,492,362
Construction in progress	30,982,503	2,226,012	(30,694,967)	2,513,548
Total capital assets not being depreciated	\$ 38,474,865	\$ 2,226,012	\$(30,694,967)	\$ 10,005,910
Capital assets being depreciated:				
Buildings and improvements	\$121,831,247	\$33,362,750	\$ 0	\$155,193,997
Land improvements	17,422,276	212,368	0	17,634,644
Furniture and equipment	21,427,343	1,430,780	(1,013,146)	21,844,977
Total capital assets being depreciated	\$160,680,866	\$35,005,898	\$ (1,013,146)	\$194,673,618
Less accumulated depreciation for:				
Buildings and improvements	\$ 41,795,736	\$ 3,819,174	\$ 0	\$ 45,614,910
Land improvements	5,704,371	743,449	0	6,447,820
Furniture and equipment	15,714,655	1,937,319	(945,185)	16,706,789
Total accumulated depreciation	\$ 63,214,762	\$ 6,499,942	\$ (945,185)	\$ 68,769,519
Total capital assets being depreciated, net	\$ 97,466,104	\$28,505,956	\$ (67,961)	\$125,904,099
Governmental activities capital assets, net	\$135,940,969	\$30,731,968	\$(30,762,928)	\$135,910,009
Business-type Activities:				
Furniture and equipment	\$ 1,453,872	\$ 26,333	\$ (12,076)	\$ 1,468,129
Less accumulated depreciation	1,273,183	41,611	(11,291)	1,303,503
Business-type activities capital assets, net	\$ 180,689	\$ (15,278)	\$ (785)	\$ 164,626

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 4: Capital Assets: (continued)

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 125,350
Special	17,161
Other	85,818

Support services:

Student services	5,474
Instructional staff	0
Administration	637,685
Operation and maintenance of plant	100,767
Transportation	815,696

Non-instructional programs	0
	<u>\$1,787,951</u>

Unallocated depreciation	<u>4,711,991</u>
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Total governmental activities depreciation expense	<u>\$6,499,942</u>
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Business-type activities:

Food services	
Regular depreciation	<u>\$ 41, 611</u>

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2016, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$47,863,000	\$ 0	\$ 1,390,000	\$ 46,473,000	\$1,960,000
Compensated absences	600,660	614,718	600,660	614,718	614,718
Net pension liability	41,223,441	53,034,486	41,223,441	53,034,486	0
Net OPEB liability	7,778,431	1,705,445	632,027	8,851,849	0
	<u>\$97,465,532</u>	<u>\$55,354,649</u>	<u>\$43,846,128</u>	<u>\$108,974,053</u>	<u>\$2,574,718</u>
Business type activities:					
Net pension liability	\$ 1,028,845	\$ 1,313,084	\$ 1,028,845	\$ 1,313,084	\$ 0
Net OPEB liability	223,358	48,971	18,148	254,181	0
	<u>\$ 1,252,203</u>	<u>\$ 1,362,055</u>	<u>\$ 1,046,993</u>	<u>\$ 1,567,265</u>	<u>\$ 0</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 5: Long-term Liabilities: (continued)

Revenue Bonds Payable

Summary of debt service requirements to maturity on the outstanding bonded indebtedness and loans as of June 30, 2016, is as follows:

Summary – Debt Service Requirements to Maturity			
Year Ending June 30	Principal	Interest	Total
2017	\$ 1,960,000	\$ 1,312,691	\$ 3,272,691
2018	1,975,000	1,279,466	3,254,466
2019	2,994,000	1,229,947	4,223,947
2020	3,009,000	1,163,042	4,172,042
2021	2,930,000	1,095,170	4,025,170
2022	2,960,000	1,025,871	3,985,871
2023	2,995,000	953,293	3,948,293
2024	2,100,000	888,227	2,988,227
2025	1,745,000	835,996	2,580,996
2026	1,760,000	786,657	2,546,657
2027	1,775,000	735,646	2,510,646
2028	1,790,000	683,075	2,473,075
2029	7,210,000	541,242	7,751,242
2030	11,270,000	279,300	11,549,300
	<u>\$46,473,000</u>	<u>\$12,809,623</u>	<u>\$59,282,623</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 5: Long-term Liabilities: (continued)

Details of the District's June 30, 2016, school infrastructure sales, services and use tax revenue refunding bond indebtedness are as follows:

Series 2012 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2017	1.50%	\$1,165,000	\$153,600	\$1,318,600
2018	1.50	1,175,000	136,050	1,311,050
2019	1.55	1,190,000	118,015	1,308,015
2020	1.75	1,210,000	98,205	1,308,205
2021	1.95	1,230,000	75,625	1,305,625
2022	2.10	1,250,000	50,508	1,300,508
2023	2.25	1,275,000	23,038	1,298,038
2024	2.35	370,000	4,347	374,347
		<u>\$8,865,000</u>	<u>\$659,388</u>	<u>\$9,524,388</u>

Series 2013 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2017	1.50%	\$ 570,000	\$ 179,720	\$ 749,720
2018	1.50	575,000	171,133	746,133
2019	1.50	580,000	162,470	742,470
2020	1.50	590,000	153,695	743,695
2021	1.50	600,000	144,770	744,770
2022	1.65	610,000	135,238	745,238
2023	1.75	620,000	124,780	744,780
2024	2.00	630,000	113,055	743,055
2025	2.15	645,000	99,821	744,821
2026	2.35	660,000	85,132	745,132
2027	2.55	675,000	68,771	743,771
2028	2.70	690,000	50,850	740,850
2029	2.85	710,000	31,417	741,417
2030	3.00	710,000	15,150	725,150
		<u>\$8,865,000</u>	<u>\$1,536,002</u>	<u>\$10,401,002</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 5: Long-term Liabilities: (continued)

Series 2014 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2017	3.15%	\$ 225,000	\$ 399,121	\$ 624,121
2018	3.15	225,000	392,033	617,033
2019	3.15	1,224,000	369,212	1,593,212
2020	3.15	1,209,000	330,892	1,539,892
2021	3.15	1,100,000	294,525	1,394,525
2022	3.15	1,100,000	259,875	1,359,875
2023	3.15	1,100,000	225,225	1,325,225
2024	3.15	1,100,000	190,575	1,290,575
2025	3.15	1,100,000	155,925	1,255,925
2026	3.15	1,100,000	121,275	1,221,275
2027	3.15	1,100,000	86,625	1,186,625
2028	3.15	1,100,000	51,975	1,151,975
2029	3.15	1,100,000	17,325	1,117,325
2030	3.15	0	0	0
		<u>\$12,783,000</u>	<u>\$2,894,583</u>	<u>\$15,677,583</u>

Series 2015 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2017	3.25%	\$ 0	\$ 580,250	\$ 580,250
2018	3.25	0	580,250	580,250
2019	3.25	0	580,250	580,250
2020	3.25	0	580,250	580,250
2021	3.25	0	580,250	580,250
2022	3.25	0	580,250	580,250
2023	3.25	0	580,250	580,250
2024	3.25	0	580,250	580,250
2025	3.25	0	580,250	580,250
2026	3.25	0	580,250	580,250
2027	3.25	0	580,250	580,250
2028	3.25	0	580,250	580,250
2029	3.25	5,400,000	492,500	5,892,500
2030	3.50 - 4.00	10,560,000	264,150	10,824,150
		<u>\$15,960,000</u>	<u>\$7,719,650</u>	<u>\$23,679,650</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 5: Long-term Liabilities: (continued)

The District has pledged future statewide sales, services and use tax revenues to repay the \$46,473,000 of bonds issued in May 2012, June 2013, March 2014, and January 2015.

In May 2012, the District issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012 for the purpose of providing funds to construct, remodel, repair and equip athletic facilities at Dalzell Field and Hempstead Field, to improve the sites therefore, and to fund other school infrastructure projects.

In June 2013, the District issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2013 for the purpose of providing funds for renovations, improvements and additions to Hempstead High School, Kennedy Elementary School, Carver Elementary School, Washington Middle School, renovations to the Jones Campus, and/or other school infrastructure projects as authorized by the electors.

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

In January 2015, the District issued \$15,960,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2015 for the purpose of providing funds for renovations, improvements, and additions to Hempstead High School, renovations to the Senior High School and/or other school infrastructure projects as authorized by the electors.

The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require a large percentage of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$59,282,623.

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

- a) \$3,377,655 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 5: Long-term Liabilities: (continued)

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

The District complied with all revenue-bond provisions during the year ended June 30, 2016.

During the year ended June 30, 2016, the District made interest payments totaling \$1,322,393.

Note 6: Pension Plan and Retirement Benefits

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

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

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

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

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

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

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to one percentage point. IPERS Contribution Rate Funding Policy requires 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 2016, pursuant to the required rate, Regular members contributed 5.95% of pay and the District contributed 8.93% for a total rate of 14.88%.

The District's contributions to IPERS for the year ended June 30, 2016, were \$6,830,726.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the District reported a liability of \$54,347,570 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2015, the District's collective proportion was 1.093194%, which was an increase of 0.049176% from its proportion measured as of June 30, 2014.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

For the year ended June 30, 2016, the District recognized pension expense of \$5,088,549. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 821,125	\$ 0
Changes of assumptions	1,496,325	0
Net difference between projected and actual earnings on pension plan investments	8,131,473	12,654,617
Changes in proportion and differences between District contributions and proportionate share of contributions	2,898,609	0
District contributions subsequent to the measurement date	6,830,726	0
Total	<u>\$20,178,258</u>	<u>\$12,654,617</u>

\$6,830,726 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2017	\$ (777,785)
2018	(777,785)
2019	(777,785)
2020	2,867,276
2021	158,995
Total	<u>\$ 692,916</u>

There were no non-employer contributing entities at IPERS.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

Actuarial Assumptions - The total pension liability in the June 30, 2015, 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% per annum
Rates of salary increase (effective June 30, 2010)	4.00% to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50%, compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 1990)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation.

The actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of IPERS' 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:

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return
Core Plus Fixed Income	28%	2.04%
Domestic Equity	24%	6.29%
International Equity	16%	6.75%
Private Equity/Debt	11%	11.32%
Real Estate	8%	3.48%
Credit Opportunities	5%	3.63%
US TIPS	5%	1.91%
Other Real Assets	2%	6.24%
Cash	1%	(0.71%)
Total	<u>100%</u>	

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the IPERS' 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 IPERS' 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%, 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% lower (6.5%) or 1% higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$95,152,817	\$54,347,570	\$19,905,013

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

Payables to IPERS - At June 30, 2016, the District reported payables to IPERS of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

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

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

The cost of early retirements expected to be liquidated currently, are recorded as a liability of the special revenue – management levy fund. At June 30, 2016, the District has obligations to seventeen (17) participants with a total accrued liability of \$289,711. These early retirement benefits will be paid July 1, 2016.

Early retirement benefits paid during the year ended June 30, 2016, totaled \$1,818,170.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 7: Other Post-employment Benefits

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

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

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

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2016, the amount actuarially contributed to the plan and changes in the District's annual OPEB obligation:

Annual required contribution	\$1,514,362
Interest on net OPEB obligation	240,054
Adjustment to annual required contribution	<u>(266,726)</u>
Annual OPEB cost (expenses)	\$1,487,690
Contributions and payments made	<u>(383,449)</u>
Increase in net OPEB obligation	\$1,104,241
Net OPEB obligation – June 30, 2015	<u>8,001,789</u>
Net OPEB obligation – June 30, 2016	\$9,106,030

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2016, are summarized as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$2,067,203	30.5%	\$3,640,609
June 30, 2012	\$2,076,822	28.6%	\$5,123,789
June 30, 2013	\$1,345,484	40.4%	\$5,925,236
June 30, 2014	\$1,342,812	29.8%	\$6,868,385
June 30, 2015	\$1,491,468	24.0%	\$8,001,789
June 30, 2016	\$1,487,690	25.8%	\$9,106,030

Funded Status and Funding Progress: As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014, through June 30, 2015, the actuarial accrued liability was \$12.147 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$12.147 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$76,461,891 and the ratio of the UAAL to covered payroll was 15.9%. As of June 30, 2016, there were no trust fund assets.

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

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

In the July 1, 2014, actuarial valuation the unit credit actuarial cost method was used. The actuarial assumptions included an annual health care cost trend rate of 7.1% initially, to an ultimate rate of 4.4%. The District's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at July 1, 2014, was 30 years.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 8: Risk Management

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

Note 9: Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$4,981,385 for the year ended June 30, 2016, and is recorded in the general fund by making a memorandum adjusting entry to the financial statements.

Note 10: Construction Contracts and Other Commitments

On April 11, 2016, the District signed a \$200,133.50 contract for school bus drive improvements at Hoover Elementary School. Funding will come from the sales tax fund. As of June 30, 2016, there have been no change orders or payments on the project.

On April 11, 2016, the District signed a \$309,900.00 contract for school bus drive improvements at Irving Elementary School. Funding will come from the sales tax fund. As of June 30, 2016, there have been no change orders or payments on the project.

On April 11, 2016, the District signed a \$383,152.00 contract for asphalt replacement at the Transportation Department. Funding will come from the sales tax fund. As of June 30, 2016, there have been no change orders or payments on the project.

On April 27, 2016, the District signed a \$268,522.00 contract for the bus drop-off lane at Senior High School. Funding will come from the sales tax fund. As of June 30, 2016, there have been no change orders or payments on the project.

At June 30, 2016, the District had approximately \$592,288 in commitments related to unfilled purchase orders for goods and services.

Note 11: Subsequent Events

On August 8, 2016, the District signed a \$25,106,300.00 contract for renovations at Senior High School. Funding will come from the sales tax fund. As of June 30, 2016, there have been no change orders or payments on the project.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

Note 11: Subsequent Events: (continued)

In October 2016, the board authorized the sale of \$10,000,000 of School Infrastructure Sales, Services, and Use Tax Revenue Bonds for the purpose of providing funds for renovations to Senior High School and/ or other school infrastructure projects. The issuance occurred in December 2016.

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

The District implemented the following statements:

- The GASB issued Statement No. 72, *Fair Value Measurement and Application* in February 2015. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provide guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. This Statement has no effect on the District in the current fiscal year.
- The GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* in June 2015. The requirements of this Statement are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental non-employer contributing entities for pension that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. This Statement has no effect on the District in the current fiscal year.
- The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* in June 2015. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. This Statement has no effect on the District in the current fiscal year.

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

As of June 30, 2016, the GASB had issued statements not yet implemented by the District. The statements which might impact the District are as follows:

- The GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* in June 2015. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and required supplementary information (RSI) related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2016. Earlier application is encouraged.
- The GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. Earlier application is encouraged.
- The GASB issued Statement 77, *Tax Abatement Disclosures* in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, issued December 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, issued December 2016. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, issued January 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, issued March 2016. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.
- GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, issued March 2016. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in

Dubuque Community School District

Notes to Financial Statements

June 30, 2016

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

required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

Required Supplementary Information

Dubuque Community School District

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses,
and Changes in Balances – Budget and Actual**

All Governmental Funds and Proprietary Fund

Required Supplementary Information

Year Ended June 30, 2016

	Actual Amounts			Budgeted Amounts		
	Governmental Funds	Proprietary Fund	Total	Original	Amended	Final to Actual Variance
Revenues:						
Local sources	\$ 52,430,262	\$2,316,910	\$ 54,747,172	\$ 54,508,159	\$ 54,508,159	\$ 239,013
State sources	82,675,004	39,710	82,714,714	81,780,033	81,780,033	934,681
Federal sources	6,607,619	3,151,451	9,759,070	9,160,581	9,160,581	598,489
Total revenues	\$141,712,885	\$5,508,071	\$147,220,956	\$145,448,773	\$145,448,773	\$1,772,183
Expenditures:						
Instruction	\$ 88,835,918	\$ 0	\$ 88,835,918	\$ 89,403,455	\$ 90,403,455	\$1,567,537
Support services	42,819,756	0	42,819,756	41,358,200	43,858,200	1,038,444
Non-instructional programs	152,701	5,267,411	5,420,112	5,309,600	5,309,600	(110,512)
Other expenditures	13,037,897	0	13,037,897	14,316,798	14,316,798	1,278,901
Total expenditures	\$144,846,272	\$5,267,411	\$150,113,683	\$150,388,053	\$153,888,053	\$3,774,370
Excess (deficiency) of revenues over expenditures	\$ (3,133,387)	\$ 240,660	\$ (2,892,727)	\$ (4,939,280)	\$ (8,439,280)	\$5,546,553
Other financing sources, net	696,623	(162,035)	534,588	70,000	70,000	464,588
Excess (deficiency) of revenues and other financing sources over expenditures	\$ (2,436,764)	\$ 78,625	\$ (2,358,139)	\$ (4,869,280)	\$ (8,369,280)	\$6,011,141
Balances beginning of year	46,816,856	(377,765)	46,439,091	42,778,801	42,778,801	3,660,290
Balances end of year	\$ 44,380,092	\$ (299,140)	\$ 44,080,952	\$ 37,909,521	\$ 34,409,521	\$9,671,431

See accompanying independent auditor's report.

Dubuque Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year Ended June 30, 2016

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs, and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the general fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$3,500,000.

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

	2016	2015
District's proportion of the net pension liability	1.093194%	1.044018%
District's proportionate share of the net pension liability	\$54,347,570	\$42,252,286
District's covered-employee payroll	\$76,461,891	\$75,363,092
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	71.08%	56.06%
Plan fiduciary net position as a percentage of the total pension liability	85.19%	87.61%

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

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

See accompanying independent auditor's report.

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

	2016	2015	2014	2013
Statutorily required contribution	\$ 6,830,726	\$ 6,729,926	\$ 6,225,569	\$ 5,734,626
Contributions in relation to the statutorily required contribution	(6,830,726)	(6,729,926)	(6,225,569)	(5,734,626)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$76,461,891	\$75,363,092	\$69,715,216	\$66,143,315
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.93%	8.67%

See accompanying independent auditor's report.

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

2012	2011	2010	2009	2008	2007
\$ 5,218,342	\$ 4,466,474	\$ 4,313,135	\$ 4,199,404	\$ 3,807,858	\$ 3,342,705
(5,218,342)	(4,466,474)	(4,313,135)	(4,199,404)	(3,807,858)	(3,342,705)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$64,684,349	\$64,287,186	\$64,871,878	\$66,137,994	\$62,939,802	\$58,134,000
8.07%	6.95%	6.65%	6.35%	6.05%	5.75%

See accompanying independent auditor's report.

Dubuque Community School District
Notes to Required Supplementary Information – Pension Liability
Year Ended June 30, 2016

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% per year measured from the member's first unreduced retirement age to a 6% 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.

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% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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

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

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% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.

Dubuque Community School District

Schedule of Funding Progress for the Retiree Health Benefit Plan

Required Supplementary Information

June 30, 2016

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Position (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2010	7/1/2008	\$0	\$17,672,059	\$17,672,059	0.0%	\$64,871,878	27.2%
2011	7/1/2010	\$0	\$20,671,234	\$20,671,234	0.0%	\$64,287,186	32.2%
2012	7/1/2010	\$0	\$20,671,234	\$20,671,234	0.0%	\$64,684,349	32.0%
2013	7/1/2012	\$0	\$14,401,113	\$14,401,113	0.0%	\$66,143,315	21.8%
2014	7/1/2012	\$0	\$14,401,113	\$14,401,113	0.0%	\$69,715,216	20.7%
2015	7/1/2014	\$0	\$12,146,829	\$12,146,829	0.0%	\$75,363,092	16.1%
2016	7/1/2014	\$0	\$12,146,829	\$12,146,829	0.0%	\$76,461,891	15.9%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status, and funding progress.

See accompanying independent auditor's report.

Other Supplementary Information

Dubuque Community School District

Nonmajor Governmental Funds

June 30, 2016

Nonmajor Governmental Funds

The other governmental funds of the district are considered nonmajor and are as follows:

The special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service. A brief description of each of the District's nonmajor governmental funds follows:

Student Activity	Accounts for funds raised by student groups. Under state law the Board retains responsibility for the Student Activity Fund's ultimate disposition.
Management	Accounts for resources accumulated and payments made for property insurance, fidelity bonds, worker compensation, liability premiums, unemployment insurance claims and early retirement incentives.
Deb Service	This fund accounts for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

Dubuque Community School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2016

	Special Revenue			
	Management Levy	Student Activity	Debt Service	Total
Assets				
Cash	\$ 8,555,334	\$853,490	\$6,002,279	\$15,411,103
Receivables:				
Property tax:				
Delinquent	10,638	0	0	10,638
Succeeding year	2,000,000	0	0	2,000,000
Accounts	0	4,875	28,348	33,223
Total assets	\$10,565,972	\$858,365	\$6,030,627	\$17,454,964
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 15,150	\$ 28,519	\$ 0	\$ 43,669
Salaries and benefits payable	0	1,506	0	1,506
Early retirement payable	289,711	0	0	289,711
Total liabilities	\$ 304,861	\$ 30,025	\$ 0	\$ 334,886
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
Other	3,545	0	0	3,545
Total deferred inflows of resources	\$ 2,003,545	\$ 0	\$ 0	\$ 2,003,545
Fund balances:				
Restricted for:				
Debt service	\$ 0	\$ 0	\$6,030,627	\$ 6,030,627
Management levy purposes	8,257,566	0	0	8,257,566
Student activities	0	828,340	0	828,340
Total fund balances	\$ 8,257,566	\$828,340	\$6,030,627	\$15,116,533
Total liabilities, deferred inflows of resources and fund balances	\$10,565,972	\$858,365	\$6,030,627	\$17,454,964

See accompanying independent auditor's report.

Dubuque Community School District

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

Nonmajor Governmental Funds

Year Ended June 30, 2016

	Special Revenue			
	Management Levy	Student Activity	Debt Service	Total
Revenues:				
Local sources:				
Local tax	\$1,500,263	\$ 0	\$ 0	\$ 1,500,263
Other	374,481	1,725,200	29,358	2,129,039
State sources	56,196	0	0	56,196
Total revenues	\$1,930,940	\$1,725,200	\$ 29,358	\$ 3,685,498
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 353,553	\$ 0	\$ 0	\$ 353,553
Special instruction	208,448	0	0	208,448
Other instruction	4,815	1,644,184	0	1,648,999
	\$ 566,816	\$1,644,184	\$ 0	\$ 2,211,000
Support services:				
Student services	\$ 55,894	\$ 0	\$ 0	\$ 55,894
Instructional staff services	66,397	0	0	66,397
Administration services	281,084	6,603	0	287,687
Operation and maintenance of plant services	1,440,602	625	0	1,441,227
Transportation services	168,759	18,688	0	187,447
	\$2,012,736	\$ 25,916	\$ 0	\$ 2,038,652
Non-instructional programs	\$ 137,830	\$ 0	\$ 0	\$ 137,830
Other expenditures:				
Debt service:				
Principal	\$ 0	\$ 0	\$ 1,390,000	\$ 1,390,000
Interest and other charges	0	0	1,322,393	1,322,393
	\$ 0	\$ 0	\$ 2,712,393	\$ 2,712,393
Total expenditures	\$2,717,382	\$1,670,100	\$ 2,712,393	\$ 7,099,875
Excess (deficiency) of revenues over (under) expenditures	\$ (786,442)	\$ 55,100	\$(2,683,035)	\$ (3,414,377)
Other financing sources (uses):				
Transfers in	\$ 0	\$ 0	\$ 3,259,929	\$ 3,259,929
Transfers out	0	(4,419)	0	(4,419)
Total other financing sources (uses):	\$ 0	\$ (4,419)	\$ 3,259,929	\$ 3,255,510
Net change in fund balances	\$ (786,442)	\$ 50,681	\$ 576,894	\$ (158,867)
Fund balances beginning of year	9,044,008	777,659	5,453,733	15,275,400
Fund balances end of year	\$8,257,566	\$ 828,340	\$ 6,030,627	\$15,116,533

See accompanying independent auditor's report.

Dubuque Community School District

Capital Project Accounts

Capital Projects Fund

Year Ended June 30, 2016

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

Statewide Sales, Services, and Use Tax	Statewide sales and services tax moneys received for school infrastructure purposes shall be utilized solely for school infrastructure needs or school district property tax relief. These activities include the construction, reconstruction, repair, demolition work, purchasing, or remodeling of schoolhouses, stadiums, gyms, field houses, and bus garages and the procurement of schoolhouse construction sites and making of site improvements and those activities for which revenues under Iowa Code Section 298.3 or Section 300.2 may be spent. Additionally, "school infrastructure" includes the payment or retirement of outstanding bonds previously issued for school infrastructure purposes, and the payment or retirement of bonds issued under Iowa Code Section 423E.5.
Physical Plant and Equipment Levy Fund	Accounts for resources accumulated and payments made for the purchase and improvement of grounds; purchase of buildings; major repairs, remodeling, reconstructing, improving or expanding the schools or buildings; expenditures for energy conservation; and for equipment purchases. The purchase of transportation vehicles qualifies under the law.

Dubuque Community School District

Combining Balance Sheet

Capital Project Accounts

Year Ended June 30, 2016

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$11,561,614	\$4,516,165	\$16,077,779
Receivables:			
Property tax:			
Delinquent	0	25,798	25,798
Succeeding year	0	3,785,961	3,785,961
Due from other governments	1,666,546	0	1,666,546
Total assets	\$13,228,160	\$8,327,924	\$21,556,084
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 410,066	\$ 543,315	\$ 953,381
Total liabilities	\$ 410,066	\$ 543,315	\$ 953,381
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	\$ 0	\$3,785,961	\$ 3,785,961
Other	0	8,611	8,611
Total deferred inflows of resources	\$ 0	\$3,794,572	\$ 3,794,572
Fund balances:			
Restricted for:			
School infrastructure	\$12,818,094	\$ 0	\$12,818,094
Physical plant and equipment levy	0	3,990,037	3,990,037
Total fund balances	\$12,818,094	\$3,990,037	\$16,808,131
Total liabilities, deferred inflows of resources and fund balances	\$13,228,160	\$8,327,924	\$21,556,084

See accompanying independent auditor's report.

Dubuque Community School District

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

Capital Project Accounts

Year Ended June 30, 2016

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ 0	\$3,586,757	\$ 3,586,757
Other	305,769	25,703	331,472
State sources	10,149,186	141,356	10,290,542
Federal sources	0	0	0
Total revenues	\$10,454,955	\$3,753,816	\$14,208,771
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$ 1,813,745	\$ 30,267	\$ 1,844,012
Other instruction	0	19,680	19,680
	\$ 1,813,745	\$ 49,947	\$ 1,863,692
Support services:			
Student services	\$ 257,082	\$ 0	\$ 257,082
Administration services	1,641,160	707,687	2,348,847
Operation and maintenance of plant services	558	1,154,379	1,154,937
Transportation services	14,565	595,074	609,639
	\$ 1,913,365	\$2,457,140	\$ 4,370,505
Non-instructional programs	\$ 0	\$ 0	\$ 0
Other expenditures:			
Facilities acquisition	\$ 3,217,485	\$2,118,884	\$ 5,336,369
Debt service:			
Principal	0	0	0
Interest and other charges	7,750	0	7,750
	\$ 3,225,235	\$2,118,884	\$ 5,344,119
Total expenditures	\$ 6,952,345	\$4,625,971	\$11,578,316
Excess (deficiency) of revenues over (under) expenditures	\$ 3,502,610	\$ (872,155)	\$ 2,630,455
Other financing sources (uses):			
Revenue bonds issued	\$ 0	\$ 0	\$ 0
Compensation for loss of fixed assets	0	479,915	479,915
Sale of property and equipment	0	0	0
Transfers out	(3,259,929)	0	(3,259,929)
Total other financing sources (uses)	\$ (3,259,929)	\$ 479,915	\$ (2,780,014)
Net Change in fund balances	\$ 242,681	\$ (392,240)	\$ (149,559)
Fund balances beginning of year	12,575,413	4,382,277	16,957,690
Fund balances end of year	\$12,818,094	\$3,990,037	\$16,808,131

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2016

	Balance June 30, 2015	Revenues	Expenditures	Balance June 30, 2016
Senior High Schools:				
Alternative Learning Center	\$ 1,600	\$ 1,679	\$ 1,383	\$ 1,896
Stephen Hempstead	255,544	528,227	476,055	307,716
Dubuque Senior	284,904	579,957	580,792	284,069
Total Senior High Schools	<u>\$542,048</u>	<u>\$1,109,863</u>	<u>\$1,058,230</u>	<u>\$593,681</u>
Middle Schools:				
Jefferson	\$ 71,804	\$ 23,925	\$ 25,485	\$ 70,244
Washington	40,846	53,496	52,117	42,225
Roosevelt	73,211	60,246	63,173	70,284
Total Middle Schools	<u>\$185,861</u>	<u>\$ 137,667</u>	<u>\$ 140,775</u>	<u>\$182,753</u>
Elementary Schools:				
Audubon	\$ 5,755	\$ 41	\$ 3,113	\$ 2,683
Bryant	1,282	3,495	4,388	389
Eisenhower	1,427	28	42	1,413
Carver	1,881	185	423	1,643
Fulton	3,839	1,662	1,424	4,077
Hoover	5,418	2,482	3,532	4,368
Irving	5,268	6,750	5,424	6,594
Kennedy	1,258	6	968	296
Lincoln	1,008	635	904	739
Marshall	4,094	4,845	1,674	7,265
Prescott	2,034	534	1,662	906
Sageville	1,493	6	1,114	385
Table Mound	4,736	29	0	4,765
Preschool	352	0	0	352
Total Elementary Schools	<u>\$ 39,845</u>	<u>\$ 20,698</u>	<u>\$ 24,668</u>	<u>\$ 35,875</u>
Athletic reserve	\$ (2,446)	\$ 449,520	\$ 448,062	\$ (988)
District instrumental music	12,351	7,452	2,784	17,019
	<u>\$ 9,905</u>	<u>\$ 456,972</u>	<u>\$ 450,846</u>	<u>\$ 16,031</u>
Grand Total	<u><u>\$777,659</u></u>	<u><u>\$1,725,200</u></u>	<u><u>\$1,674,519</u></u>	<u><u>\$828,340</u></u>

See accompanying independent auditor's report.

Dubuque Community School District
Schedule of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2016

	Private Purpose Trust				
	Trust	Scholarships			
	Prescott Elementary Trust	Dubuque Senior High School Scholarships	Stephen Hempstead High School Scholarships	Alternative Learning Center Scholarship	Total
Additions:					
Local sources:					
Other local sources	\$ 0	\$ 3,293	\$ 1,745	\$1,600	\$ 6,638
Interest on investments	97	599	161	13	870
Total revenues	<u>\$ 97</u>	<u>\$ 3,892</u>	<u>\$ 1,906</u>	<u>\$1,613</u>	<u>\$ 7,508</u>
Deductions:					
Instruction:					
Regular instruction:					
Other	<u>\$ 0</u>	<u>\$ 8,188</u>	<u>\$ 4,320</u>	<u>\$ 0</u>	<u>\$ 12,508</u>
Change in net position	\$ 97	\$ (4,296)	\$ (2,414)	\$1,613	\$ (5,000)
Net position beginning of year	<u>15,733</u>	<u>102,751</u>	<u>28,950</u>	<u>645</u>	<u>148,079</u>
Net position end of year	<u>\$15,830</u>	<u>\$ 98,455</u>	<u>\$26,536</u>	<u>\$2,258</u>	<u>\$143,079</u>

See accompanying independent auditor's report.

Dubuque Community School District
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Fund
Year Ended June 30, 2016

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash	<u>\$29,056</u>	<u>\$25,812</u>	<u>\$28,343</u>	<u>\$26,525</u>
Total assets	<u>\$29,056</u>	<u>\$25,812</u>	<u>\$28,343</u>	<u>\$26,525</u>
Liabilities				
Other payables	<u>\$29,056</u>	<u>\$25,812</u>	<u>\$28,343</u>	<u>\$26,525</u>
Total liabilities	<u>\$29,056</u>	<u>\$25,812</u>	<u>\$28,343</u>	<u>\$26,525</u>

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds

For the Last Ten Years

	Modified Accrual Basis			
	2016	2015	2014	2013
Revenues:				
Local sources:				
Local tax	\$ 45,751,376	\$ 44,918,498	\$ 45,256,554	\$ 57,952,211
Tuition	2,409,264	2,571,634	2,076,227	2,364,636
Other	4,269,622	4,461,057	4,403,650	4,149,932
State sources	82,675,004	81,462,443	74,879,014	62,706,583
Federal sources	6,607,619	6,277,627	6,323,012	6,852,735
Total revenues	<u>\$141,712,885</u>	<u>\$139,691,259</u>	<u>\$132,938,457</u>	<u>\$134,026,097</u>
Expenditures:				
Instruction:				
Regular instruction	\$ 49,481,686	\$ 48,744,947	\$ 45,838,993	\$ 41,180,652
Special instruction	25,495,256	26,651,874	24,813,653	23,533,298
Other instruction	13,854,651	13,763,166	13,169,530	13,080,400
Support services:				
Student services	6,519,760	6,655,077	6,305,561	5,492,706
Instructional staff services	6,100,106	5,788,283	5,750,601	4,602,493
Administration services	14,124,857	13,506,629	12,725,816	12,389,626
Operation and maintenance of plant services	11,607,416	10,785,417	9,599,256	9,057,962
Transportation services	4,471,942	4,724,879	5,612,731	4,277,877
Non-instructional programs	152,701	188,357	156,327	364,825
Other expenditures:				
Facilities acquisition	5,336,369	14,428,903	25,750,982	14,520,178
Debt service:				
Principal	1,390,000	1,130,000	4,850,000	7,600,000
Interest and fiscal charges	1,330,143	974,063	471,005	507,785
AEA flowthrough	4,981,385	4,928,817	4,723,656	4,515,012
TIF property tax payment to City and other property taxes	0	0	0	0
City street assessments	0	0	0	0
Total expenditures	<u>\$144,846,272</u>	<u>\$152,270,412</u>	<u>\$159,768,111</u>	<u>\$141,122,814</u>

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds

For the Last Ten Years

Modified Accrual Basis					
2012	2011	2010	2009	2008	2007
\$ 59,573,803	\$ 56,970,220	\$ 55,448,603	\$ 53,527,722	\$ 49,698,676	\$ 47,166,139
2,264,001	2,146,825	2,229,601	2,054,271	1,974,497	1,970,036
3,237,573	3,523,606	3,716,733	3,845,347	4,531,034	4,342,335
62,040,783	60,409,551	52,410,026	60,032,976	57,095,921	51,611,486
7,729,416	9,393,044	12,657,914	6,694,658	4,296,825	3,460,383
\$134,845,576	\$132,443,246	\$126,462,877	\$126,154,974	\$117,596,953	\$108,550,379
\$ 40,768,416	\$ 39,582,892	\$ 40,345,167	\$ 41,870,736	\$ 39,315,976	\$ 36,383,897
22,492,388	21,727,446	22,461,743	22,934,962	19,711,873	17,799,574
12,840,284	12,144,120	11,483,872	8,923,625	9,841,978	9,059,837
5,252,695	5,034,660	5,053,316	5,093,057	4,893,096	4,422,022
3,984,983	3,566,495	3,422,804	3,552,175	3,755,466	3,615,550
12,341,464	12,875,379	10,602,780	10,349,190	10,428,962	10,120,152
8,702,928	8,406,122	8,554,178	8,958,199	9,118,255	8,564,905
4,120,582	4,003,962	3,465,091	3,019,418	3,145,333	3,729,525
135,718	155,648	306,817	93,675	143,549	133,012
4,919,944	1,471,553	3,547,438	3,718,729	6,024,792	18,839,199
7,200,000	8,710,000	33,299,833	7,466,208	4,496,208	1,036,209
556,069	524,654	1,323,733	1,482,355	1,675,126	1,542,704
4,496,822	4,922,517	4,802,377	4,321,171	4,106,863	3,803,870
0	0	0	229	25,690	26,248
0	0	0	0	0	79,548
\$127,812,293	\$123,125,448	\$148,669,149	\$121,783,729	\$116,683,167	\$119,156,252

STATISTICAL SECTION

Dubuque Community School District
Statistical Section (unaudited)
Narrative Explanations

The statistical section of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Tables

Financial Trends

1-9

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

Revenue Capacity

10-13

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

Debt Capacity

14-17

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

Demographic and Economic Information

18-19

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

Operating Information

20-22

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

Table 1

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Governmental activities:				
Net investment in capital assets	\$89,437,009	\$88,077,969	\$ 93,556,198	\$ 80,199,696
Restricted	32,970,043	32,900,265	22,585,523	29,345,373
Unrestricted	(44,243,097)	(42,281,836)	13,235,693	20,945,199
Total governmental activities net position	\$78,163,955	\$78,696,398	\$129,377,414	\$130,490,268
Business-type activities:				
Net investment in capital assets	\$ 164,626	\$ 180,689	\$ 226,852	\$ 294,532
Restricted	0	0	0	0
Unrestricted	(463,766)	(558,454)	572,735	545,461
Total business-type activities net position	\$ (299,140)	\$ (377,765)	\$ 799,587	\$ 839,993
Primary government:				
Net investment in capital assets	\$94,467,321	\$88,258,658	\$ 93,783,050	\$ 80,494,228
Restricted	32,970,043	32,900,265	22,585,523	29,345,373
Unrestricted	(49,572,549)	(42,840,290)	13,808,428	21,490,660
Total primary government net position	\$77,864,815	\$78,318,633	\$130,177,001	\$131,330,261

Source: District Financial Records

Table 1

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

2012	2011	2010	2009	2008	2007
\$ 72,432,082	\$ 72,646,181	\$64,429,213	\$59,780,783	\$53,355,696	\$43,446,260
25,752,325	18,245,575	17,404,114	9,206,811	8,920,643	6,559,669
22,014,328	13,348,662	5,121,609	7,757,840	4,416,579	5,627,070
<u>\$120,198,735</u>	<u>\$104,240,418</u>	<u>\$86,954,936</u>	<u>\$76,745,434</u>	<u>\$66,692,918</u>	<u>\$55,632,999</u>
\$ 280,661	\$ 311,734	\$ 399,217	\$ 442,195	\$ 483,616	\$ 537,950
0	0	0	0	0	0
851,251	934,055	861,361	808,733	882,625	877,323
<u>\$ 1,131,912</u>	<u>\$ 1,245,789</u>	<u>\$ 1,260,578</u>	<u>\$ 1,250,928</u>	<u>\$ 1,366,241</u>	<u>\$ 1,415,273</u>
\$ 72,712,743	\$ 72,957,915	\$64,828,430	\$60,222,978	\$53,839,312	\$43,984,210
25,752,325	18,245,575	17,404,114	9,206,811	8,920,643	6,559,669
22,865,579	14,282,717	5,982,970	8,566,573	5,299,204	6,504,393
<u>\$121,330,647</u>	<u>\$105,486,207</u>	<u>\$88,215,514</u>	<u>\$77,996,362</u>	<u>\$68,059,159</u>	<u>\$57,048,272</u>

Table 2

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Expenses:				
Governmental activities:				
Instruction	\$ 87,389,442	\$ 87,066,710	\$ 83,984,002	\$ 77,755,484
Student services	6,382,523	6,457,946	6,306,779	5,505,944
Instructional staff services	6,176,257	5,650,117	5,750,601	4,602,597
Administration services	14,132,095	13,683,311	13,236,921	12,281,517
Operation and maintenance of plant services	11,698,648	10,753,161	9,684,699	9,102,217
Transportation services	4,841,702	4,906,348	4,981,110	4,420,179
Non-instructional programs	160,756	184,930	159,179	364,825
AEA flowthrough	4,981,385	4,928,817	4,723,656	4,515,012
TIF property tax payment and street assessments to City	0	0	0	0
Interest on long-term debt	1,329,248	1,148,530	406,017	344,756
Bond costs	7,750	293,111	116,998	166,710
Other post-employment benefits	1,073,418	1,142,693	911,203	777,152
Depreciation (unallocated)	4,234,139	3,900,066	3,938,398	4,243,202
Total governmental activities expenses	\$142,407,363	\$140,115,740	\$134,199,563	\$124,079,595
Business-type activities:				
Nutrition services	\$ 5,267,411	\$ 4,988,071	\$ 4,983,100	\$ 5,014,578
Total business-type activities expenses	\$ 5,267,411	\$ 4,988,071	\$ 4,983,100	\$ 5,014,578
Total primary government expenses	\$147,674,774	\$145,103,811	\$139,182,663	\$129,094,173

Source: District Financial Records

(Continued on the following page.)

Table 2

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

2012	2011	2010	2009	2008	2007
\$ 76,200,554	\$ 73,398,582	\$ 74,580,509	\$ 74,524,139	\$ 67,010,362	\$ 68,921,618
5,262,498	4,916,281	5,064,842	5,147,311	4,766,058	4,813,824
3,988,500	3,582,091	3,442,464	3,607,500	3,677,598	3,873,716
11,285,684	12,704,945	10,704,315	10,590,758	10,125,713	10,955,010
8,800,056	8,123,156	8,658,932	9,011,009	8,835,601	8,967,625
4,040,587	3,511,033	3,521,943	3,501,716	3,683,632	3,738,099
134,228	157,526	309,415	96,998	142,067	138,771
4,496,822	4,922,517	4,802,377	4,321,171	4,106,863	3,803,870
0	0	0	229	25,690	105,796
317,750	487,800	1,271,952	1,482,355	1,675,126	1,542,704
143,819	1,000	316,635	0	0	23,615
1,432,116	1,380,724	1,044,119	1,090,424	0	0
3,110,181	2,259,167	3,230,537	3,090,034	2,745,092	2,227,645
\$119,212,795	\$115,444,822	\$116,948,040	\$116,463,644	\$106,793,802	\$109,112,293
\$ 4,829,167	\$ 4,609,057	\$ 4,562,590	\$ 4,336,522	\$ 4,159,239	\$ 3,949,212
\$ 4,829,167	\$ 4,609,057	\$ 4,562,590	\$ 4,336,522	\$ 4,159,239	\$ 3,949,212
\$124,041,962	\$120,053,879	\$121,510,630	\$120,800,166	\$110,953,041	\$113,061,505

Table 2

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 4,920,920	\$ 5,037,413	\$ 4,465,125	\$ 4,900,867
Support services	50,840	54,977	50,924	38,310
Operating grants and contributions	23,910,881	23,329,640	19,919,287	19,679,045
Capital grants and contributions	0	0	0	0
Total governmental activities program revenues	\$ 28,882,641	\$ 28,422,030	\$ 24,435,336	\$ 24,618,222
Business-type activities:				
Charges for services:				
Nutrition services	\$ 2,311,069	\$ 2,472,084	\$ 2,421,620	\$ 2,403,562
Operating grants and contributions	3,191,161	2,758,432	2,667,519	2,590,171
Total business-type program revenues	\$ 5,502,230	\$ 5,230,516	\$ 5,089,139	\$ 4,993,733
Total primary government program revenues	\$ 34,384,871	\$ 33,652,546	\$ 29,524,475	\$ 29,611,955
Net (expense) revenue:				
Governmental activities	\$(113,524,722)	\$(111,693,710)	\$(109,764,227)	\$(99,461,373)
Business-type activities	234,819	242,445	106,039	(20,845)
Total primary government net expense	\$(113,289,903)	\$(111,451,265)	\$(109,658,188)	\$(99,482,218)

Source: District Financial Records

Table 2

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

2012	2011	2010	2009	2008	2007
\$ 4,441,216	\$ 4,481,908	\$ 4,343,293	\$ 4,139,082	\$ 4,181,758	\$ 4,234,503
39,417	35,099	34,133	29,432	26,076	27,342
20,298,874	22,162,557	25,152,465	21,261,442	15,582,180	12,145,764
0	61,864	88,137	0	5,850	50,750
\$ 24,779,507	\$ 26,741,428	\$ 29,618,028	\$ 25,429,956	\$ 19,795,864	\$ 16,458,359
\$ 2,471,310	\$ 2,505,477	\$ 2,520,337	\$ 2,484,568	\$ 2,369,246	\$ 2,425,845
2,517,574	2,362,623	2,365,458	1,992,219	1,823,216	1,793,501
\$ 4,988,884	\$ 4,868,100	\$ 4,885,795	\$ 4,476,787	\$ 4,192,462	\$ 4,219,346
\$ 29,768,391	\$ 31,609,528	\$ 34,503,823	\$ 29,906,743	\$ 23,988,326	\$ 20,677,705
\$(94,433,288)	\$(88,703,394)	\$(87,330,012)	\$(91,033,688)	\$(86,997,938)	\$(92,653,934)
159,717	259,043	323,205	140,265	33,223	270,134
\$(94,273,571)	\$(88,444,351)	\$(87,006,807)	\$(90,893,423)	\$(86,964,715)	\$(92,383,800)

Table 3

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Net (expenses) revenue:				
Governmental activities	\$(113,524,722)	\$(111,693,710)	\$(109,764,227)	\$(99,461,373)
Business-type activities	234,819	242,445	106,039	(20,845)
Total primary government net expense	\$(113,289,903)	\$(111,451,265)	\$(109,658,188)	\$(99,482,218)
General revenues and other changes in net position:				
Governmental activities:				
Property tax levied for general purposes	\$ 42,164,620	\$ 41,351,887	\$ 41,857,102	\$ 42,464,403
Property tax levied for capital outlay	3,586,757	4,346,610	3,399,452	3,297,757
Local option sales tax	10,149,186	10,038,752	8,974,360	12,190,050
Unrestricted state grants	55,500,389	54,664,713	52,932,505	50,568,860
Investment earnings	304,274	155,764	139,790	369,289
Miscellaneous	1,125,018	711,503	1,199,912	595,896
Transfers	162,035	163,677	148,252	266,651
Total governmental activities	\$ 112,992,279	\$ 111,432,906	\$ 108,651,373	\$109,752,906
Business-type activities:				
Investment earnings	\$ 5,841	\$ 2,256	\$ 1,807	\$ 2,582
Transfers	(162,035)	(163,677)	(148,252)	(273,656)
Total business-type activities	\$ (156,194)	\$ (161,421)	\$ (146,445)	\$ (271,074)
Change in net position:				
Governmental activities	\$ (532,443)	\$ (260,804)	\$ (1,112,854)	\$ 10,291,533
Business-type activities	78,625	81,024	(40,406)	(291,919)
Total primary government	\$ (453,818)	\$ (179,780)	\$ (1,153,260)	\$ 9,999,614

Source: District Financial Records

Table 3

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

2012	2011	2010	2009	2008	2007
\$(94,430,288)	\$ (88,703,394)	\$(87,330,012)	\$(91,033,688)	\$(86,997,938)	\$(92,653,934)
159,717	259,043	323,205	140,265	33,223	270,134
\$(94,270,571)	\$ (88,444,351)	\$(87,006,807)	\$(90,893,423)	\$(86,964,715)	\$(92,383,800)
\$ 45,002,685	\$ 43,385,106	\$ 42,170,729	\$ 40,684,264	\$ 36,598,441	\$ 34,446,462
3,135,590	3,006,514	2,857,384	2,737,058	2,532,490	2,470,364
11,435,526	10,578,600	10,420,491	10,106,400	10,567,745	10,249,312
49,804,874	47,873,056	40,152,782	46,053,267	46,501,356	43,373,049
455,973	539,547	747,429	682,349	774,912	1,013,746
281,764	318,999	854,031	543,975	959,573	539,087
275,196	287,054	336,668	278,891	123,340	124,723
\$110,391,608	\$105,988,876	\$ 97,539,514	\$101,086,204	\$ 98,057,857	\$ 92,216,743
\$ 6,034	\$ 13,222	\$ 23,113	\$ 23,313	\$ 44,086	\$ 36,098
(279,628)	(287,054)	(336,668)	(278,891)	(126,341)	(124,723)
\$ (273,594)	\$ (273,832)	\$ (313,555)	\$ (255,578)	\$ (82,255)	\$ (88,625)
\$ 15,958,320	\$ 17,285,482	\$ 10,209,502	\$ 10,052,516	\$ 11,059,919	\$ (437,191)
(113,877)	(14,789)	9,650	(115,313)	(49,032)	181,509
\$ 15,844,443	\$ 17,270,693	\$ 10,219,152	\$ 9,937,203	\$ 11,010,887	\$ (255,682)

Table 4

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

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
General Fund:				
Nonspendable	\$ 410,272	\$ 444,900	\$ 534,198	\$ 551,464
Restricted	1,045,379	1,324,944	1,377,816	1,463,431
Unassigned	10,999,777	12,813,922	20,055,617	26,768,208
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	\$12,455,428	\$14,583,766	\$21,967,631	\$28,783,103
All other governmental funds:				
Restricted	\$31,924,664	\$32,233,090	\$21,207,707	\$27,881,942
Reserved	0	0	0	0
Unreserved, reported in				
Capital projects fund	0	0	0	0
Debt service fund	0	0	0	0
Special revenue funds	0	0	0	0
Total all other governmental funds	\$31,924,664	\$32,233,090	\$21,207,707	\$27,881,942
Total all governmental funds	\$44,380,092	\$46,816,856	\$43,175,338	\$56,665,045

Source: District Financial Records

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

Table 4

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

2012	2011	2010	2009	2008	2007
\$ 626,239	\$ 644,808	\$ 0	\$ 0	\$ 0	\$ 0
1,398,368	1,894,368	0	0	0	0
26,932,135	16,911,942	0	0	0	0
0	0	1,343,743	1,541,028	1,283,675	738,613
0	0	7,449,116	4,393,552	(573,069)	21,603
\$28,956,742	\$19,451,118	\$ 8,792,859	\$ 5,934,580	\$ 710,606	\$ 760,216
\$24,353,957	\$16,354,207	\$ 0	\$ 0	\$ 0	\$ 0
0	0	8,600,545	6,947,435	7,017,199	5,339,534
0	0	4,427,498	3,271,080	4,039,660	5,258,518
0	0	72,864	115,299	124,370	46,382
0	0	3,506,028	2,259,376	1,903,504	1,220,135
\$24,353,957	\$16,354,207	\$16,606,935	\$12,593,190	\$13,084,733	\$11,864,569
\$53,310,699	\$35,805,325	\$25,399,794	\$18,527,770	\$13,795,339	\$12,624,785

Table 5

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Local sources:				
Local tax	\$ 45,751,376	\$ 44,918,498	\$ 45,256,554	\$ 57,952,211
Tuition	2,409,264	2,571,634	2,076,227	2,364,636
Other	4,269,622	4,461,057	4,403,650	4,149,932
Total local sources	\$ 52,430,262	\$ 51,951,189	\$ 51,736,431	\$ 64,466,779
State sources:				
State sources	\$ 82,675,004	\$ 81,462,443	\$ 74,879,014	\$ 62,706,583
Total state sources	\$ 82,675,004	\$ 81,462,443	\$ 74,879,014	\$ 62,706,583
Federal sources:				
Federal sources	\$ 6,607,619	\$ 6,277,627	\$ 6,323,012	\$ 6,852,735
Total federal sources	\$ 6,607,619	\$ 6,277,627	\$ 6,323,012	\$ 6,852,735
Total governmental funds revenue	\$141,712,885	\$139,691,259	\$132,938,457	\$134,026,097

Source: District Financial Records

Table 5

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

2012	2011	2010	2009	2008	2007
\$ 59,573,803	\$ 56,970,220	\$ 55,448,603	\$ 53,527,722	\$ 49,698,676	\$ 47,166,139
2,264,001	2,146,825	2,229,601	2,054,271	1,974,497	1,970,036
3,237,573	3,523,607	3,716,733	3,845,347	4,531,034	4,342,335
\$ 65,075,377	\$ 62,640,652	\$ 61,394,937	\$ 59,427,340	\$ 56,204,207	\$ 53,478,510
\$ 62,040,783	\$ 60,409,551	\$ 52,410,026	\$ 60,032,976	\$ 57,095,921	\$ 51,611,486
\$ 62,040,783	\$ 60,409,551	\$ 52,410,026	\$ 60,032,976	\$ 57,095,921	\$ 51,611,486
\$ 7,729,416	\$ 9,393,044	\$ 12,657,914	\$ 6,694,658	\$ 4,296,825	\$ 3,460,383
\$ 7,729,416	\$ 9,393,044	\$ 12,657,914	\$ 6,694,658	\$ 4,296,825	\$ 3,460,383
\$134,845,576	\$132,443,247	\$126,462,877	\$126,154,974	\$117,596,953	\$108,550,379

Table 6

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Local sources					
Taxes	\$ 40,664,356	\$ 36,607,011	\$ 35,856,044	\$ 37,460,938	\$ 43,252,276
Tuition	2,409,264	2,571,634	2,076,227	2,364,636	2,264,001
Transportation	50,840	54,977	50,924	38,311	39,418
Interest	122,836	65,090	71,643	79,149	154,800
Student activities	160,673	162,048	158,018	153,964	307,725
Other local revenues	1,474,762	1,475,115	2,236,384	1,591,477	889,746
Subtotal local revenue	\$ 44,882,731	\$ 40,935,875	\$ 40,449,240	\$ 41,688,475	\$ 46,907,966
State sources					
State foundation aid	\$ 53,060,023	\$ 52,004,458	\$ 49,048,080	\$ 48,166,131	\$ 47,711,831
Instructional support	0	0	0	0	0
AEA flowthrough	4,981,385	4,928,817	4,723,656	4,515,012	4,496,822
Other state revenue	14,286,858	14,326,090	12,127,823	10,020,866	9,829,379
Subtotal state revenue	\$ 72,328,266	\$ 71,259,365	\$ 65,899,559	\$ 62,702,009	\$ 62,038,032
Federal sources					
Title I	\$ 1,843,868	\$ 1,651,588	\$ 1,597,490	\$ 1,806,912	\$ 1,613,871
Other federal revenue	4,763,751	4,626,039	4,725,522	5,045,823	6,115,545
Subtotal federal revenue	\$ 6,607,619	\$ 6,277,627	\$ 6,323,012	\$ 6,852,735	\$ 7,729,416
Other sources	\$ 221,127	\$ 260,191	\$ 360,473	\$ 470,082	\$ 498,391
Total revenue	\$124,039,743	\$118,733,058	\$113,032,284	\$111,713,301	\$117,173,805

Source: *District Financial Records*

Table 6

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

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

Table 7

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

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Instruction	\$ 88,831,593	\$ 89,159,987	\$ 83,822,176	\$ 77,794,350
Student services	6,519,760	6,655,077	6,305,561	5,492,706
Instructional staff services	6,100,106	5,788,283	5,750,601	4,602,493
Administration services	14,124,857	13,506,629	12,725,816	12,389,626
Operation and maintenance of plant services	11,607,416	10,785,417	9,599,256	9,057,962
Transportation services	4,471,942	4,724,879	5,612,731	4,277,877
Non-instructional services	152,701	188,357	156,327	364,825
Facilities acquisition	5,336,369	14,428,903	25,750,982	14,520,178
Debt service:				
Principal	1,390,000	1,130,000	4,850,000	7,600,000
Interest	1,322,393	680,952	354,007	341,075
AEA flowthrough	4,981,385	4,928,817	4,723,656	4,515,012
Other	7,750	293,111	116,998	166,710
Total expenditures	\$144,846,272	\$152,270,412	\$159,768,111	\$141,122,814
Debt service as a percentage of noncapital expenditures	1.94%	1.31%	3.88%	6.27%

Source: District Financial Records

Notes: The District refinanced all of its bonds payable in fiscal year 2010. Details of the District's outstanding debt can be found in Note 5 in the Notes to the Financial Statements.

Table 7

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

2012	2011	2010	2009	2008	2007
\$ 76,101,088	\$ 73,454,458	\$ 74,290,782	\$ 73,729,323	\$ 68,869,827	\$ 63,243,308
5,252,695	5,034,660	5,053,316	5,093,057	4,893,096	4,422,022
3,984,983	3,566,495	3,422,804	3,552,175	3,755,466	3,615,550
12,341,464	12,875,379	10,602,780	10,349,190	10,428,962	10,120,152
8,702,928	8,406,122	8,554,178	8,958,199	9,118,255	8,564,905
4,120,582	4,003,962	3,465,091	3,019,418	3,145,333	3,729,525
135,718	155,648	306,817	93,675	143,549	133,012
4,919,944	1,471,553	3,547,438	3,718,729	6,024,792	18,839,199
7,200,000	8,710,000	33,299,833	7,466,208	4,496,208	1,036,209
412,250	523,617	1,007,098	1,482,355	1,675,126	1,542,704
4,496,822	4,922,517	4,802,377	4,321,171	4,106,863	3,803,870
143,819	1,037	316,635	229	25,690	105,796
\$127,812,293	\$123,125,448	\$148,669,149	\$121,783,729	\$116,683,167	\$119,156,252
6.19%	7.59%	23.6%	7.58%	5.58%	2.57%

Table 8

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

(modified basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Instruction:				
Regular	\$ 47,284,121	\$ 46,700,801	\$ 43,124,337	\$ 40,706,822
Special	25,286,808	26,048,304	24,657,319	23,348,053
Other	12,185,972	12,131,570	11,673,565	10,997,304
Total Instruction	\$ 84,756,901	\$ 84,880,675	\$ 79,455,221	\$ 75,052,179
Student Support Services:				
Attendance and social work	\$ 1,184,388	\$ 950,365	\$ 692,378	\$ 375,815
Guidance services	2,915,391	3,090,367	3,087,135	2,781,619
Health and psychological services	1,689,280	1,961,395	1,876,211	1,911,961
Speech, pathology, & audiology	417,725	442,247	428,960	379,621
Total Student Support Services	\$ 6,206,784	\$ 6,444,374	\$ 6,084,684	\$ 5,449,016
Staff Instruction Services:				
Improvement of instruction	\$ 2,831,815	\$ 2,597,937	\$ 2,201,148	\$ 2,066,467
Library media	2,542,262	2,487,240	2,261,003	2,097,142
Instruction-related technology	496,451	452,258	1,208,510	341,021
Academic student assessment	163,181	148,019	0	0
Total Staff Instruction Services	\$ 6,033,709	\$ 5,685,454	\$ 5,670,661	\$ 4,504,630
General Administration Services:				
Board of education	\$ 138,292	\$ 104,151	\$ 118,695	\$ 92,664
Executive administration	1,525,643	1,450,997	1,482,745	1,387,549
Special area administration	179,445	172,077	192,153	180,334
Total General Administration Services	\$ 1,843,380	\$ 1,727,225	\$ 1,793,593	\$ 1,660,547
School Administration Services	\$ 6,457,432	\$ 6,268,992	\$ 6,223,048	\$ 5,864,477
Business & Central Services:				
Business administration fiscal	\$ 1,256,942	\$ 1,245,087	\$ 1,358,567	\$ 1,201,038
Printing, publishing, & duplicating	193,677	210,811	235,921	186,296
Public information	245,308	223,791	105,486	60,315
Personnel	209,778	219,258	217,727	195,659
Administrative technology	1,281,806	1,249,120	1,238,257	1,174,492
Total Business & Central Services	\$ 3,187,511	\$ 3,148,067	\$ 3,155,958	\$ 2,817,800
Operation and Maintenance of Plant	\$ 9,011,252	\$ 9,319,185	\$ 8,962,416	\$ 8,325,758
Student Transportation	\$ 3,674,856	\$ 3,714,134	\$ 3,778,519	\$ 3,425,265
Community Service Operations	\$ 14,871	\$ 0	\$ 0	\$ 265,000
Funds Transfer	\$ 0	\$ 0	\$ 0	\$ 7,256
AEA Flowthrough	\$ 4,981,385	\$ 4,928,817	\$ 4,723,656	\$ 4,515,012
Total expenditures	\$126,168,081	\$126,116,923	\$119,847,756	\$111,886,940
Percentage Increase (Decrease)	0.04%	5.23%	7.12%	3.92%

Source: District Financial Records

Table 8

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

2012	2011	2010	2009	2008	2007
\$ 39,611,990	\$ 38,569,286	\$ 39,316,368	\$ 40,417,644	\$ 38,358,714	\$35,059,099
22,048,080	21,514,318	22,216,791	22,579,460	19,516,753	17,742,545
11,261,238	10,389,358	9,951,775	7,303,035	8,210,378	7,396,413
\$ 72,921,308	\$ 70,472,962	\$ 71,484,934	\$ 70,300,139	\$ 66,085,845	\$60,198,057
\$ 257,588	\$ 245,310	\$ 242,555	\$ 216,417	\$ 213,433	\$ 183,463
2,700,544	2,588,620	2,506,763	2,628,026	2,583,096	2,414,892
1,836,573	1,854,693	2,003,904	1,952,039	1,802,329	1,549,048
369,530	258,457	253,437	248,044	252,735	199,376
\$ 5,164,235	\$ 4,947,080	\$ 5,006,659	\$ 5,044,526	\$ 4,851,593	\$ 4,346,779
\$ 1,596,748	\$ 1,564,958	\$ 1,312,805	\$ 1,502,253	\$ 1,743,510	\$ 1,617,242
2,069,525	1,930,039	2,026,201	1,961,782	1,936,232	1,940,853
214,859	3,713	3,381	5,285	349	3,693
0	0	0	0	0	0
\$ 3,881,132	\$ 3,498,710	\$ 3,342,387	\$ 3,469,320	\$ 3,680,091	\$ 3,561,788
\$ 183,228	\$ 123,341	\$ 111,715	\$ 152,068	\$ 116,152	\$ 113,031
1,177,114	1,069,273	1,110,061	1,039,931	929,460	865,829
173,551	311,894	466,575	395,637	342,743	321,244
\$ 1,533,893	\$ 1,504,508	\$ 1,688,351	\$ 1,587,636	\$ 1,388,355	\$ 1,300,104
\$ 5,634,449	\$ 5,416,059	\$ 5,507,383	\$ 5,529,464	\$ 5,600,024	\$ 5,296,832
\$ 1,180,505	\$ 1,188,291	\$ 1,110,037	\$ 1,091,848	\$ 1,187,387	\$ 1,140,121
229,022	371,377	297,494	306,609	415,914	432,423
126,079	110,362	107,253	107,409	151,130	125,116
219,393	217,204	201,459	188,015	189,884	179,552
975,394	1,128,712	1,203,563	1,159,867	1,109,396	1,177,286
\$ 2,730,393	\$ 3,015,946	\$ 2,919,806	\$ 2,853,748	\$ 3,053,711	\$ 3,054,498
\$ 8,072,928	\$ 7,650,801	\$ 8,018,101	\$ 8,243,558	\$ 8,322,151	\$ 7,899,172
\$ 3,171,242	\$ 3,171,723	\$ 2,811,825	\$ 2,741,183	\$ 2,897,710	\$ 2,707,252
\$ 54,900	\$ 91,329	\$ 247,508	\$ 15,269	\$ 88,352	\$ 74,089
\$ 6,877	\$ 1,851	\$ 4,148	\$ 9,648	\$ 6,150	\$ 1,008
\$ 4,496,822	\$ 4,922,517	\$ 4,802,377	\$ 4,321,171	\$ 4,106,863	\$ 3,803,870
\$107,668,179	\$104,693,486	\$105,833,479	\$104,115,662	\$100,080,845	\$92,243,449
2.84%	(1.08%)	1.65%	4.03%	8.50%	5.49%

Table 9

Dubuque Community School District
Other Financing Sources and Uses and Net Change in Fund Balances
Governmental Funds
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Excess of revenues over (under) expenditures	\$(3,133,387)	\$(12,579,153)	\$(26,829,654)	\$(7,096,717)
Other financing sources (uses):				
Sales of property and equipment	\$ 24,410	\$ 96,994	\$ 158,695	\$ 106,031
Compensation for loss of fixed assets	510,178	0	0	0
Operating transfers in	3,426,383	4,217,872	3,908,856	8,469,539
Operating transfers out	(3,264,348)	(4,054,195)	(3,760,604)	(8,195,883)
Revenue bonds net proceeds	0	15,960,000	13,033,000	10,071,376
Total other financing sources (uses)	\$ 696,623	\$ 16,220,671	\$ 13,339,947	\$10,451,063
Net change in fund balance	\$(2,436,764)	\$ 3,641,518	\$(13,489,707)	\$ 3,354,346

Source: *District Financial Records*

Table 9

Dubuque Community School District
Other Financing Sources and Uses and Net Change in Fund Balances
Governmental Funds
Last Ten Years

2012	2011	2010	2009	2008	2007
\$ 7,033,283	\$ 9,317,799	\$(22,206,272)	\$4,371,245	\$ 913,786	\$(10,605,873)
\$ 146,553	\$ 800,677	\$ 23,631	\$ 82,295	\$ 133,428	\$ 65,016
0	0	0	0	0	0
9,250,938	9,234,683	12,321,591	8,936,054	7,776,538	3,405,251
(8,975,742)	(8,947,627)	(11,984,923)	(8,657,163)	(7,653,198)	(3,280,527)
10,050,343	0	28,717,997	0	0	8,566,385
\$10,472,092	\$ 1,087,733	\$ 29,078,296	\$ 361,186	\$ 256,768	\$ 8,756,125
\$17,505,375	\$10,405,532	\$ 6,872,024	\$4,732,431	\$ 1,170,554	\$ (1,849,748)

Table 10

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

(Unaudited)

Tax Levy Year	Fiscal Year	Actual Value				Less Exemptions	Total Taxable Value	Total Direct Rate (*)
		Residential Property	Commercial Property	Other Property	Total Property			
2014	2015-16	\$3,807,421,089	\$1,220,579,172	\$679,703,672	\$5,707,703,933	\$2,116,246,808	\$3,591,457,125	\$14.05629
2013	2014-15	\$3,735,243,695	\$1,223,371,310	\$635,758,386	\$5,594,373,391	\$2,024,655,305	\$3,569,718,086	\$13.99630
2012	2013-14	\$3,636,383,604	\$1,108,148,171	\$556,660,706	\$5,301,192,481	\$1,901,700,042	\$3,399,492,439	\$14.60281
2011	2012-13	\$3,584,139,640	\$1,107,954,369	\$545,384,690	\$5,237,478,699	\$1,941,516,491	\$3,295,962,208	\$15.40388
2010	2011-12	\$3,460,202,341	\$1,083,065,132	\$507,827,323	\$5,051,094,796	\$1,915,108,686	\$3,135,986,110	\$16.87685
2009	2010-11	\$3,400,988,084	\$1,066,381,565	\$466,520,254	\$4,933,889,903	\$1,931,149,023	\$3,002,740,880	\$16.88349
2008	2009-10	\$3,270,589,555	\$ 955,990,303	\$372,478,777	\$4,599,058,635	\$1,865,471,659	\$2,733,586,976	\$16.88112
2007	2008-09	\$2,853,522,831	\$ 900,890,827	\$365,894,560	\$4,120,308,218	\$1,592,339,503	\$2,527,968,715	\$16.40925
2006	2007-08	\$2,754,856,383	\$ 871,632,936	\$365,846,895	\$3,992,336,214	\$1,524,149,772	\$2,468,186,442	\$15.92538
2005	2006-07	\$2,673,314,363	\$ 767,458,864	\$354,344,941	\$3,795,118,168	\$1,418,056,181	\$2,377,061,987	\$15.09695

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

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

* Per \$ 1,000 of taxable value.

Table 11

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

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

Levy Year	Fiscal Year Ended June 30,	District Direct Rates				Overlapping Rates				
		General Purposes	Capital Purposes	Management Purposes	Total	County	Community College	Board of Education and Independents	City of Dubuque	City of Asbury
2014	2016	\$12.58536	\$1.00000	\$0.47093	\$14.05629	\$6.38779	\$0.91036	\$0.66641	\$11.02588	\$10.30963
2013	2015	\$11.48470	\$1.00000	\$1.51160	\$13.99630	\$6.43124	\$0.90807	\$0.67315	\$11.02588	\$10.30200
2012	2014	\$11.62865	\$1.00000	\$1.97416	\$14.60281	\$6.43124	\$0.90455	\$0.77468	\$11.02586	\$10.29932
2011	2013	\$12.70671	\$1.00000	\$1.69717	\$15.40388	\$6.43124	\$0.98407	\$0.80305	\$10.78477	\$10.28790
2010	2012	\$15.25931	\$1.00000	\$0.61754	\$16.87685	\$6.49167	\$1.07379	\$0.68380	\$10.45111	\$10.30123
2009	2011	\$15.14980	\$1.00000	\$0.73369	\$16.88349	\$6.50193	\$1.03532	\$0.61503	\$10.02741	\$10.30237
2008	2010	\$14.87364	\$1.00000	\$1.00554	\$16.87918	\$6.40435	\$0.99471	\$0.62393	\$ 9.85777	\$10.29738
2007	2009	\$15.02092	\$1.00000	\$0.86020	\$16.88112	\$6.40844	\$0.55714	\$0.72556	\$ 9.96904	\$10.30313
2006	2008	\$14.54425	\$1.00000	\$0.86500	\$16.40925	\$6.42691	\$0.61270	\$0.78578	\$10.31690	\$10.30080
2005	2007	\$14.01385	\$1.00000	\$0.91153	\$15.92538	\$6.17924	\$0.61127	\$0.60802	\$ 9.98033	\$10.22827

Sources: Dubuque County Auditor and Iowa Department of Management

Table 12

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

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

Taxpayer	2016 (1)			2007 (2)		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Peninsula Gaming Company LLC	\$ 63,779	1	1.68%			
Kennedy Mall	38,926	2	1.03	\$ 26,338	1	0.94%
Deere & Co.	36,109	3	0.95			
Walter Development	28,357	4	0.75			
Progressive Processing LLC	25,370	5	0.67			
Medical Associates Realty	21,484	6	0.57	19,271	2	0.69
Nordstrom, Inc.	16,530	7	0.44	16,884	4	0.60
McGraw Hill	16,225	8	0.43			
Platinum Holdings	15,749	9	0.42	11,178	5	0.40
Queck Capital Management, LLC	13,577	10	0.36			
Otto A LLC				17,500	3	0.62
Minglewood Limited Partnership				9,948	6	0.35
Lexington Dubuque				9,844	7	0.35
Angelus of Dubuque, LLC				9,810	8	0.35
Plaza 20, Inc.				9,693	9	0.35
American Trust & Savings Bank				9,523	10	0.34
Total	<u>\$276,106</u>		<u>7.30%</u>	<u>\$139,989</u>		<u>4.99%</u>

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

Table 13

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

(Unaudited)

Collection Fiscal Year Ending	Levy Fiscal Year Ending	Total Tax Levy	Collected in Fiscal Year		Collections of Delinquent Taxes	Total Collections to Date	
			Amount	Percentage of Levy		Total Amount Collected	Percentage of Levy
2015-2016	2014	\$45,756,263	\$45,727,904	99.94%	\$23,473	\$45,751,377	99.99%
2014-2015	2013	\$45,011,938	\$44,895,410	99.74%	\$23,088	\$44,918,498	99.79%
2013-2014	2012	\$45,250,137	\$45,235,328	99.97%	\$21,226	\$45,256,554	100.01%
2012-2013	2011	\$45,730,866	\$45,741,269 *	100.02%	\$20,891	\$45,762,160	100.07%
2011-2012	2010	\$48,128,348	\$48,116,040	99.97%	\$22,237	\$48,138,277	100.02%
2010-2011	2009	\$46,298,936	\$46,256,166	99.91%	\$31,049	\$46,287,215	99.97%
2009-2010	2008	\$45,105,254	\$44,925,064	99.60%	\$ 1,136	\$44,926,200	99.60%
2008-2009	2007	\$43,350,451	\$43,301,067	99.89%	\$16,821	\$43,317,888	99.92%
2007-2008	2006	\$39,047,138	\$39,015,256	99.92%	\$13,800	\$39,029,056	99.95%
2006-2007	2005	\$36,853,657	\$36,798,981	99.85%	\$15,095	\$36,814,076	99.89%

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

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

Table 14

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

(Unaudited)

Fiscal Year	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	ISCAP Warrants Payable	Notes Payable	General Obligation Bonds	Sales Tax Revenue Bonds					
2016	\$ 0	\$ 0	\$ 0	\$46,473,000	\$ 0	\$46,473,000	1.1171%	\$482	
2015	\$ 0	\$ 0	\$ 0	\$47,863,000	\$ 0	\$47,863,000	1.2131%	\$500	
2014	\$ 0	\$ 0	\$ 0	\$33,033,000	\$ 0	\$33,033,000	0.8604%	\$347	
2013	\$ 0	\$ 0	\$ 0	\$24,850,000	\$ 0	\$24,850,000	0.6752%	\$263	
2012	\$ 0	\$ 0	\$ 0	\$22,450,000	\$ 0	\$22,450,000	0.6507%	\$239	
2011	\$ 0	\$ 0	\$ 0	\$19,650,000	\$ 0	\$19,650,000	0.5925%	\$211	
2010	\$ 0	\$ 0	\$ 0	\$28,360,000	\$ 0	\$28,360,000	0.8684%	\$306	
2009	\$5,000,000	\$ 0	\$ 0	\$33,299,833	\$ 0	\$38,299,833	1.2385%	\$414	
2008	\$5,000,000	\$ 0	\$ 0	\$40,766,042	\$ 0	\$45,766,042	1.5653%	\$500	
2007	\$1,185,000	\$ 0	\$ 0	\$45,262,250	\$ 0	\$46,447,250	1.6750%	\$510	

Source: District Financial Records

Details of the District's outstanding debt can be found in Note 5 in the Notes to the Financial Statements.

(a) See Table 18 for personal income and population data. These ratios are calculated using that data.

Table 15

Dubuque Community School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
City of Asbury	\$11,746,000	100.00%	\$ 11,746,000
City of Dubuque	259,239,314	100.00	259,239,314
Dubuque County	4,709,271	77.02	3,627,081
Northeast Iowa Community College	42,775,000	77.12	<u>32,988,080</u>
Subtotal, overlapping debt			\$307,600,475
District direct debt			<u>46,473,000</u>
Total direct and overlapping debt			<u>\$354,073,475</u>

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

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

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

Table 16

Dubuque Community School District
Legal Debt Margin Information
Last Ten Years

(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Debt Limit	\$179,572,856	\$178,485,904	\$169,974,622	\$164,798,110
Gross debt applicable to limit	\$ 46,473,000	\$ 47,863,000	\$ 33,033,000	\$ 24,850,000
Reserves for payments on debt	(6,030,627)	(5,453,733)	(3,187,807)	(7,004,837)
Total net debt applicable to limit	\$ 40,442,373	\$ 42,409,267	\$ 29,845,193	\$ 17,845,163
Legal debt margin	\$139,130,483	\$136,076,637	\$140,129,429	\$146,952,947
Total net debt applicable to the limit as a percentage of debt limit	22.5%	23.8%	17.6%	10.8%

Sources: District Financial Records and Dubuque County Auditor

Notes:

- (a) Actual taxable value includes Tax Increment Financing
(b) Code of Iowa Section 296.1

Legal Debt Margin Calculation for Fiscal Year 2016

Actual taxable value (a)	\$3,591,457,125
Debt limit (5% of assessed value) (b)	179,572,856
Debt applicable to limit	40,442,373
Legal debt margin	<u>\$ 139,130,483</u>

Table 16

Dubuque Community School District
Legal Debt Margin Information
Last Ten Years

2012	2011	2010	2009	2008	2007
\$156,799,306	\$150,137,044	\$143,129,676	\$136,679,349	\$126,398,436	\$123,409,322
\$ 22,450,000	\$ 19,650,000	\$ 28,360,000	\$ 33,299,833	\$ 40,766,042	\$ 45,262,250
(6,911,747)	(5,704,327)	(7,875,854)	(6,209,000)	(6,209,000)	(4,559,000)
\$ 15,538,253	\$ 13,945,673	\$ 20,484,146	\$ 27,090,833	\$ 34,557,042	\$ 40,703,250
\$141,261,053	\$136,191,371	\$122,645,530	\$109,588,516	\$ 91,841,394	\$ 82,706,072
9.9%	9.3%	14.3%	19.8%	27.3%	33.0%

Table 17

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

(Unaudited)

Fiscal Year	Actual Sales Tax Revenue	Debt Service			Estimated Debt Service and Coverage on the Bonds (without Revenue Growth)			Estimated Debt Service and Coverage on the Bonds (with Revenue Growth)		
		Principal	Interest	Coverage	Estimated Collection	Debt Service Combined P & I	Estimated Coverage	Estimated Collection	Debt Service Combined P & I	Estimated Coverage
2007	\$10,249,312	\$1,036,208	\$1,542,704	3.97						
2008	\$10,567,745	\$4,496,208	\$1,675,126	1.71						
2009	\$10,106,400	\$7,466,208	\$1,479,355	1.13						
2010	\$10,420,491	\$3,206,208	\$1,007,098	2.47						
2011	\$10,578,600	\$8,710,000	\$ 523,617	1.15						
2012	\$11,435,526	\$7,200,000	\$ 412,250	1.50						
2013	\$12,190,050	\$7,600,000	\$ 341,075	1.54						
2014	\$ 8,974,360	\$4,850,000	\$ 354,007	1.72						
2015	\$10,038,752	\$1,130,000	\$ 680,953	5.54						
2016	\$10,149,186	\$1,390,000	\$1,322,393	3.74						
2017					\$10,226,219	\$3,271,135	3.13	\$10,226,219	\$3,271,135	3.13
2018					\$10,315,629	\$4,256,797	2.42	\$10,477,973	\$4,256,797	2.46
2019					\$10,253,324	\$4,206,096	2.44	\$10,623,982	\$4,206,096	2.53
2020					\$10,253,324	\$4,058,988	2.53	\$10,836,461	\$4,058,988	2.67
2021					\$10,253,324	\$4,021,353	2.55	\$11,053,190	\$4,021,353	2.75
2022					\$10,253,324	\$3,985,388	2.57	\$11,274,254	\$3,985,388	2.83
2023					\$10,253,324	\$3,016,200	3.40	\$11,499,739	\$3,016,200	3.81
2024					\$10,253,324	\$2,605,255	3.94	\$11,729,734	\$2,605,255	4.50
2025					\$10,253,324	\$2,571,738	3.99	\$11,964,329	\$2,571,738	4.65
2026					\$10,253,324	\$2,536,578	4.04	\$12,203,615	\$2,536,578	4.81
2027					\$10,253,324	\$2,499,715	4.10	\$12,447,688	\$2,499,715	4.98
2028					\$10,253,324	\$7,866,435	1.30	\$12,696,641	\$7,866,435	1.61
2029					\$10,253,324	\$7,866,050	1.30	\$12,950,574	\$7,866,050	1.65
2030					\$ 7,006,438	\$3,896,275	1.80	\$ 9,009,393	\$3,896,275	2.31

Sources: School District Financial Records for actual data and Piper Jaffray & Co. for estimates of future sales tax collections.

Note: The revenue growth assumes a 2% increase with no changes to enrollment.

Table 18

**Dubuque Community School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

(Unaudited)

Calendar Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rate (2)	Certified Enrollment (3)
2016	96,370	\$4,159,988,000	\$43,167	N/A	10,587.9
2015	95,697	\$3,945,492,000	\$41,229	3.6%	10,633.7
2014	95,097	\$3,839,185,000	\$40,371	4.3%	10,578.6
2013	94,648	\$3,680,443,000	\$38,886	4.5%	10,513.3
2012	93,888	\$3,450,110,000	\$36,747	4.8%	10,469.8
2011	93,072	\$3,316,659,000	\$35,635	5.5%	10,517.4
2010	92,589	\$3,265,881,000	\$35,273	6.0%	10,697.2
2009	92,296	\$3,092,423,000	\$33,505	6.1%	10,614.2
2008	91,486	\$2,923,799,000	\$31,959	4.3%	10,727.6
2007	91,032	\$2,773,002,000	\$30,462	4.0%	10,733.6

Sources:

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

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

Table 19

Dubuque Community School District
Principal Employers
Current Year and Nine Years Ago

(Unaudited)

Taxpayer	2016 (1)			2007 (2)		
	# of Employees	Rank	Percentage of Total Employment	# of Employees	Rank	Percentage of Total Employment
John Deere	2,400	1	4.43%	1,900	1	3.48%
Dubuque Community Schools	1,946	2	3.59	1,730	2	3.17
Mercy Medical Center	1,313	3	2.42	1,324	3	2.43
Medical Associates Clinic, P.C.	1,027	4	1.89	935	5	1.71
Unity Point Health - Finley Hospital	859	5	1.58	920	6	1.69
City of Dubuque	695	6	1.28	627	7	1.15
Sedgwick	550	7	1.01			
Heartland Financial	538	8	0.99			
IBM, Corp.	538	8	0.99			
Cottingham and Butler	515	10	0.95			
Eagle Window & Door				950	4	1.74
Holy Family Catholic Schools				600	8	1.10
Woodward Communications				600	8	1.10
Prudential Retirement				590	10	1.08
Total	<u>10,381</u>		<u>19.13%</u>	<u>10,176</u>		<u>18.65%</u>

Sources:

(1) Greater Dubuque Development Corp.

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

Table 20

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

(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Supervisory:				
Superintendent	1.00	1.00	1.00	1.00
Associate superintendent	1.00	1.00	1.00	1.00
Principals	18.00	18.00	18.00	18.00
Assistant principals	13.00	13.00	13.00	13.00
All other administrators	9.00	9.00	9.00	9.00
Total supervisory	42.00	42.00	42.00	42.00
Instruction:				
Teachers - regular program	640.22	659.61	629.95	623.14
Teachers - special education program	196.60	194.50	173.83	163.11
Paraeducators - regular program	86.35	88.50	78.26	84.34
Paraeducators - special education program	268.68	263.70	258.81	250.77
Total instruction	1,191.85	1,206.31	1,140.85	1,121.36
Student services:				
Guidance counselors	33.00	33.00	31.00	30.00
Nurses	15.60	15.60	16.60	17.20
Media specialists	26.00	26.00	24.50	24.00
Other student services staff	25.00	25.00	20.00	14.00
Total student services	99.60	99.60	92.10	85.20
Support and administration:				
Clerical/secretarial	81.00	80.00	77.75	76.75
Custodial and maintenance	99.00	101.00	99.00	98.00
Food service	79.03	80.95	81.95	82.64
Bus drivers, attendants, truckers, mechanics	77.23	76.25	78.38	76.30
Other support services staff	13.00	14.00	14.00	14.00
Total support and administration	349.26	352.20	351.09	347.69
District Totals	1,682.71	1,700.11	1,626.03	1,596.25

Source: *District Payroll Records*

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

Table 20

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

2012	2011	2010	2009	2008	2007
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
18.00	18.50	19.50	19.50	19.50	19.00
13.00	12.00	11.00	14.00	14.00	15.00
6.00	7.50	10.50	11.50	13.25	13.75
39.00	40.00	43.00	47.00	48.75	49.75
604.40	590.53	638.87	639.09	675.16	654.68
153.00	159.77	171.96	174.36	170.00	161.50
82.23	75.57	53.82	54.38	56.51	56.66
259.71	244.01	260.71	270.88	231.90	226.66
1,099.34	1,069.88	1,125.36	1,138.71	1,133.57	1,099.50
30.00	31.00	30.00	31.00	34.00	33.00
16.20	18.20	21.40	21.40	21.40	19.40
18.50	19.90	21.20	21.20	21.19	20.69
12.00	9.00	9.00	9.00	10.00	10.00
76.70	78.10	81.60	82.60	86.59	83.09
77.75	79.00	79.88	85.57	85.44	86.44
98.00	103.00	111.00	112.00	118.00	114.00
80.48	78.39	78.25	78.58	77.51	75.32
68.95	61.66	60.37	62.70	62.27	59.71
11.50	12.50	12.50	11.00	11.00	11.00
336.68	334.55	342.00	349.85	354.22	346.47
1,551.72	1,522.53	1,591.96	1,618.16	1,623.13	1,578.81

Table 21

Dubuque Community School District
Operating Statistics
Last Ten Fiscal Years

(Unaudited)

	Fiscal Year	Enrollment	General Fund Expenditures	Cost Per Pupil	Percentage Change	Total Governmental Activities Expenses	Cost Per Pupil	Percentage Change	FTE Teaching Staff	Pupil- Teacher Ratio	% of Students Receiving Free or Reduced-Priced Meals
	2016	10,588	\$126,168,081	\$11,916	0.47%	\$142,407,363	\$13,450	1.64%	836.82	12.65	39.53%
	2015	10,634	\$126,116,923	\$11,860	4.69%	\$140,115,740	\$13,176	2.19%	854.11	12.45	39.36%
	2014	10,579	\$119,847,755	\$11,329	6.45%	\$136,390,090	\$12,893	9.24%	803.78	13.16	39.27%
128	2013	10,513	\$111,886,940	\$10,643	3.50%	\$124,079,595	\$11,802	3.65%	786.25	13.37	39.00%
	2012	10,470	\$107,668,179	\$10,283	3.29%	\$119,212,795	\$11,386	3.73%	757.40	13.82	37.60%
	2011	10,517	\$104,693,486	\$ 9,955	0.62%	\$115,444,822	\$10,977	0.40%	750.30	14.02	37.50%
	2010	10,697	\$105,833,479	\$ 9,894	0.87%	\$116,948,040	\$10,933	(0.36%)	810.83	13.19	37.80%
	2009	10,614	\$104,115,662	\$ 9,809	5.15%	\$116,463,644	\$10,973	10.23%	813.45	13.05	36.30%
	2008	10,728	\$100,080,845	\$ 9,329	8.56%	\$106,793,802	\$ 9,955	(2.07%)	845.16	12.69	34.70%
	2007	10,734	\$ 92,243,449	\$ 8,593	3.65%	\$109,112,293	\$10,165	15.97%	816.18	13.15	34.80%

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

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Elementary:				
Audubon (1973)				
Square feet	37,992	37,992	37,992	37,992
Capacity	336	336	336	336
Enrollment	289	314	290	259
Bryant (1940)				
Square feet	30,724	30,724	30,724	30,724
Capacity	263	263	263	263
Enrollment	311	263	266	284
Carver (2007)				
Square feet	69,902	69,902	69,902	66,202
Capacity	574	574	574	524
Enrollment	550	586	587	575
Eisenhower (1970)				
Square feet	63,455	63,455	63,455	63,455
Capacity	460	460	460	460
Enrollment	523	532	547	525
Fulton (1939)				
Square feet	35,098	35,098	35,098	35,098
Capacity	264	264	264	264
Enrollment	292	284	287	283
Hoover (1970)				
Square feet	28,663	28,663	28,663	28,663
Capacity	231	231	231	231
Enrollment	330	324	317	282

Source: *District Records*

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

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2012	2011	2010	2009	2008	2007
37,992	37,992	37,992	37,992	37,992	37,992
336	336	336	390	390	390
290	259	309	284	292	344
30,724	30,724	30,724	30,724	30,724	30,724
263	263	263	390	390	390
303	316	315	321	330	317
66,202	66,202	66,202	66,202	66,202	N/A
524	524	524	624	624	N/A
580	562	497	435	416	N/A
63,455	63,455	63,455	63,455	63,455	63,455
460	460	460	624	624	624
523	547	557	547	527	581
35,098	35,098	35,098	35,098	35,098	35,098
264	264	264	312	312	312
285	274	271	215	252	265
28,663	28,663	28,663	28,663	28,663	28,663
231	231	231	312	312	312
246	258	278	281	283	336

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Elementary:				
Irving (1951)				
Square feet	79,064	79,064	79,064	79,064
Capacity	492	492	492	492
Enrollment	515	532	562	537
Kennedy (1965)				
Square feet	69,353	69,353	52,953	52,953
Capacity	691	691	491	491
Enrollment	603	592	560	537
Lincoln (1940)				
Square feet	37,692	37,692	37,692	37,692
Capacity	296	296	296	296
Enrollment	267	273	290	314
Marshall (1939)				
Square feet	33,956	33,956	33,956	33,956
Capacity	248	248	248	248
Enrollment	309	301	319	308
Prescott (Demolished and Rebuilt 2006)				
Square feet	65,836	65,836	65,836	65,836
Capacity	375	375	375	375
Enrollment	273	270	281	302
Sageville (1956)				
Square feet	42,237	42,237	42,237	42,237
Capacity	299	299	299	299
Enrollment	298	284	282	281
Table Mound (1960)				
Square feet	51,758	51,758	51,758	51,758
Capacity	370	370	370	370
Enrollment	420	442	467	446

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2012	2011	2010	2009	2008	2007
79,064	79,064	79,064	79,064	59,755	47,655
492	492	492	624	624	624
540	525	494	477	492	519
52,953	52,953	52,953	52,953	52,953	52,953
491	491	491	624	624	624
542	511	508	491	481	662
37,692	37,692	37,692	37,692	37,692	37,692
296	296	296	390	390	390
292	286	374	336	320	333
33,956	33,956	33,956	33,956	33,956	33,956
248	248	248	312	312	312
279	249	263	267	253	282
65,836	65,836	65,836	65,836	65,836	65,836
375	375	375	312	312	312
287	298	266	265	272	246
41,612	41,612	41,612	41,612	41,612	41,612
299	299	299	390	390	390
280	278	281	313	320	327
51,758	51,758	51,758	51,758	51,758	51,758
370	370	370	546	546	546
410	422	435	449	464	400

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Middle Schools:				
Jefferson (1922)				
Square feet	89,948	89,948	89,948	89,948
Capacity	620	620	620	620
Enrollment	552	594	569	594
Roosevelt (2005)				
Square feet	206,000	206,000	206,000	206,000
Capacity	1,050	1,050	1,050	1,050
Enrollment	1,161	1,157	1,106	1,132
Washington (1920)				
Square feet	98,330	98,330	98,330	92,830
Capacity	657	657	657	657
Enrollment	684	681	668	672
High Schools:				
Alta Vista Campus (1963)				
Square feet	27,177	27,177	27,177	26,427
Capacity	150	150	150	150
Enrollment	0	0	0	0
Hempstead (1970)				
Square feet	342,000	261,268	261,268	261,268
Capacity	2,532	1,657	1,657	1,657
Enrollment	1,643	1,653	1,643	1,614
Senior (1920)				
Square feet	286,611	286,611	286,611	286,611
Capacity	1,657	1,657	1,657	1,657
Enrollment	1,624	1,618	1,635	1,618

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

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

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2012	2011	2010	2009	2008	2007
89,948	89,948	89,948	89,948	89,948	89,948
620	620	620	775	775	775
567	583	600	616	607	654
206,000	206,000	206,000	206,000	206,000	206,000
1,050	1,050	1,050	1,400	1,400	1,400
1,127	1,162	1,104	1,113	1,163	1,146
92,830	92,830	92,830	92,830	92,830	92,830
657	657	657	775	775	775
671	637	642	639	692	682
26,427	26,427	26,427	26,427	26,427	26,427
150	68	68	184	184	184
0	51	61	71	155	164
261,268	261,268	261,268	261,268	261,268	258,988
1,657	1,657	1,657	1,920	1,920	1,920
1,681	1,756	1,727	1,823	1,829	1,797
286,611	286,611	286,611	286,611	286,611	286,611
1,657	1,657	1,657	1,920	1,920	1,920
1,593	1,542	1,516	1,468	1,459	1,563

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
High Schools: (continued)				
Central Alternative (1906)				
Square feet	---	---	---	---
Capacity	---	---	---	---
Enrollment	---	---	---	---
Other District Facilities:				
Forum (1979)				
Square feet	24,959	24,959	24,959	24,959
Warehouse/Central Kitchen (1981)				
Square feet	33,000	33,000	33,000	33,000
Bus Garage (1985)				
Square feet	11,020	11,020	11,020	11,020
Buildings and Grounds (1985)				
Square feet	13,680	13,680	13,680	13,680
Buildings and Grounds Warehouse (1985)				
Square feet	5,000	5,000	5,000	5,000
Buildings and Grounds Storage (2015)				
Square feet	4,200	---	---	---

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

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2012	2011	2010	2009	2008	2007
---	---	89,948	89,948	89,948	89,948
---	---	620	775	775	775
---	---	600	616	607	654
24,959	24,959	24,959	24,959	24,959	24,959
33,000	33,000	33,000	30,000	30,000	30,000
11,020	11,020	11,020	11,020	11,020	11,020
13,680	13,680	13,680	13,680	13,680	13,680
5,000	5,000	5,000	5,000	5,000	5,000
---	---	---	---	---	---

Table 23

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

(Unaudited)

School Year	Minimum	Maximum	Average
2015 - 2016	\$29,906	\$72,738	\$46,060
2014 - 2015	\$29,117	\$71,161	\$44,438
2013 - 2014	\$28,192	\$69,020	\$43,335
2012 - 2013	\$27,865	\$60,468	\$42,785
2011 - 2012	\$27,645	\$59,990	\$43,122
2010 - 2011	\$27,645	\$59,990	\$42,888
2009 - 2010	\$27,695	\$60,097	\$44,127
2008 - 2009	\$28,095	\$60,815	\$44,648
2007 - 2008	\$27,505	\$59,532	\$43,028
2006 - 2007	\$26,578	\$57,530	\$41,594

Source: *District Payroll Records*

Note: Average salary includes supplemental Phase payments in all years prior to 2009-10. The Iowa legislature eliminated funding for the Phase program going forward. Salaries do not include Teacher Salary Supplement for any year.

COMPLIANCE SECTION

Dubuque Community School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Grantor/Program	CFDA Number	Grant Number	Expenditures
Direct:			
U.S. Department of Education:			
Supporting Teens through Education and Protection Act of 2005 (STEP Act)	16.684	FY16	<u>\$ 75,697</u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY16	\$ 419,482
National School Lunch Program	10.555	FY16	2,615,544 *
Summer Food Service Program for Children	10.559	FY16	<u>24,683</u>
			<u>\$3,059,709</u>
School Lunch Equipment Grants Stabilization	10.579	FY16	<u>\$ 16,910</u>
Fresh Fruit and Vegetable Program	10.582	FY16	<u>\$ 74,832</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to LEA	84.010	FY16	<u>\$2,113,675</u>
Vocational Education – Basic Grants to States	84.048	FY16	<u>\$ 116,652</u>
Rehabilitation Services – Vocational Rehabilitation Grants to States	84.126	FY16	<u>\$ 72,283</u>
Safe and Drug-free Schools and Communities – National Programs	84.184	FY16	<u>\$ 41,888</u>
Education for Homeless Children and Youth	84.196	FY16	<u>\$ 36,000</u>
Twenty-first Century Community Learning Centers	84.287	FY16	<u>\$ 100,000</u>
Advanced Placement Program	84.330	FY16	<u>\$ 3,306</u>
Improving Teacher Quality Grants	84.367	FY16	<u>\$ 367,141</u>
Developmental Disabilities Projects of National Significance	93.631	FY16	<u>\$ 14,745</u>
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	FY16	<u>\$ 570</u>
Keystone Area Education Agency:			
Special Education – Grants to States	84.027	FY16	<u>\$ 566,825</u>
English Language Acquisition Grants	84.365	FY16	<u>\$ 52,574</u>
Total			<u>\$6,712,807</u>

* Includes \$389,954 of non-cash awards

See Notes to Schedule of Expenditures of Federal Awards

Dubuque Community School District

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Dubuque Community School District under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dubuque Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Dubuque Community School District.

Note 2: Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Dubuque Community School District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Dubuque Community School District

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2016

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

None

Reportable Conditions in Administering Federal Awards

None

Other Findings Related to Required Statutory Reporting

None

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Certified Public Accountants

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Dubuque, Iowa 52002*

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

To the Board of Education of
Dubuque Community School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dubuque Community School District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Dubuque Community School District's basic financial statements, and have issued our report thereon dated December 12, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dubuque Community School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2016, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

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

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
December 12, 2016

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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE

To the Board of Education of
Dubuque Community School District:

Report on Compliance for Each Major Federal Program

We have audited the Dubuque Community School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Dubuque Community School District's major federal programs for the year ended June 30, 2016. Dubuque Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Dubuque Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dubuque Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Dubuque Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Dubuque Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Dubuque Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dubuque Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dubuque Community School District's internal control over compliance.

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

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

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

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
December 12, 2016

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) No significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which were required to be reported in accordance with the Uniform Guidance Section 200.515.
- (g) Major programs were as follows:
 - 1) Child Nutrition Cluster
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Dubuque Community School District did qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INTERNAL CONTROL DEFICIENCIES:

We did not identify any deficiencies in internal control over major programs that we consider to be material weaknesses.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-16 Certified Budget - Expenditures for the year ended June 30, 2016, did not exceed the amounts budgeted.
- IV-B-16 Questionable Expenditures - No expenditures we believe that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.
- IV-C-16 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-16 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-16 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- IV-F-16 Board Minutes - We noted no transaction requiring Board approval which had not been approved by the Board.
- IV-G-16 Certified Enrollment - 1.00 variances in the basic enrollment data certified by the Iowa Department of Education were noted.
- Recommendation - A system should be developed to reconcile the enrollment data collected by the District before submission to the Iowa Department of Education.
- Response - We will attempt to develop such a system.
- IV-H-16 Supplementary Weighting - No variances regarding supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-16 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- IV-J-16 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.
- IV-K-16 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

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

IV-L-16 Statewide Sales, Services and Use Tax - No instances of noncompliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2016, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance			\$12,575,413
Revenues/transfers in:			
Statewide sales, services and use tax	\$10,149,186		
Other local revenue	236,253		
Investment income	<u>69,516</u>	\$10,454,955	
Expenditures/transfers out:			
School infrastructure:			
Construction	\$ 3,217,485		
Equipment	3,542,169		
Other	192,691		
Transfers to other funds	<u>3,259,929</u>	<u>\$10,212,274</u>	
Ending balance			<u>\$12,818,094</u>

For the year ended June 30, 2016, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

IV-M-16 Revenue Bonds - The District has established the reserve account required by the revenue bond resolution. In addition, the required monthly transfers from the revenue account to the sinking account were made by the District.