

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

For the Fiscal Year Ended June 30, 2014

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



January 12, 2015

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

We are pleased to submit to you the Comprehensive Annual Financial Report for the Dubuque Community School District for the fiscal year ended June 30, 2014. 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.

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 on the financial statement and schedules, the management's discussion and analysis, the basic financial statements, notes to the financial statements, required supplementary information, and other supplementary information.

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

Compliance Section – This section includes audit reports relating to the Board’s single audit over internal control, federal and state awards, as well as a Schedule of Expenditures of Federal and State Awards.

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

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

Reporting Entity and Its Services

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

The District provides a full range of educational services for residents of the Dubuque Community School District appropriate to students in early childhood and grades kindergarten through twelve. These services include basic, regular and enriched academic education, special education for identified children with qualifying special needs, vocational education and many individualized programs such as specialized instruction for students at-risk and students whose primary language is not English. The official enrollment of the District as of October 2013 (the official count date) was 10,579 students. This District is the seventh largest of Iowa’s 348 public school systems. The District operates two regular high schools, three middle schools, and thirteen elementary schools.

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

Accounting System

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

In developing and evaluating the accounting system of the District, much consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; 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.

Accounting System, continued

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

Relevant Financial Policies

The State of Iowa funding formula for Iowa school districts' General Fund is pupil driven. An increase in spending authority occurs in two different ways, either an increase in pupils or an increase in State Supplemental Aid which is set by the state legislature. Under state law, the legislature has thirty (30) days after receiving the Governor's budget recommendation to set the percentage of growth (State Supplemental Aid) for the following budget year. To illustrate, the 2013 legislature sets the FY 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.

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 2013-14, listed below are the District's benchmarks and actual amounts;

	<u>Benchmark</u>	<u>Actual</u>
Cash Balance	\$30,100,251	\$30,179,926
Solvency Ratio	5% - 15%	18.5%
Unspent Balance	\$ 9,987,313	\$13,231,544

While the District exceeded all three of the benchmarks, there were declines in all three areas for the year ended June 30, 2014. The District is expecting declines again in the 2014-15 fiscal year and will need to begin making budget reduction plans for the 2015-16 fiscal year.

Cash Management

The District invests in only those securities allowed by the Code of Iowa, Chapter 12C.

Risk Management

The District currently covers property, liability, and workers' compensation losses with traditional insurance coverage through Employers' Mutual Insurance Company. An active safety training and monitoring program exists.

Budgeting

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

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

Management's Discussion and Analysis

The Management's Discussion and Analysis provides a 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.

Last year, 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; both of these projects continued through the 2013-14 fiscal year. During the 2014-15 fiscal year, the District will conduct a study and begin architectural drawings on a major remodel/addition project at Dubuque Senior High School. All

Major Initiatives and Achievements, continued

of these projects will be funded with sales tax revenue bonds. The District issued \$10,000,000 bonds in April 2012, \$10,000,000 in April 2013, and \$13,033,000 in March 2014. The District will need to issue additional bonds in the future in order to complete the Hempstead and Kennedy projects and begin the study of 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 219 out of 348 school districts in the state. The strong regional retail market continues to provide wealth to the community. The strong regional market is illustrated by various convention and tourism activities.

The State of Iowa's school funding formula projects a controlled budget based on October's enrollment for the current budget year multiplied by a legislatively approved cost per pupil for the subsequent budget year. The per pupil allowable cost for budget year 2013-14 was \$6,128. The allowable growth rate for FY 2014-15 has been set at 4.0%.

In light of these circumstances, the School District must continue to operate in the most efficient manner during 2014-15 to help ensure adequate funding for staff, services, and supplies.

Independent Audit

The accounting firm of Jim Kircher & Associates, P.C., was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, combining and individual fund statements, and other schedules is included in the financial section of this report. The auditors have issued an unmodified "clean" opinion on the Dubuque Community School District's financial statements for the year ended June 30, 2014. The Independent Auditor's Report is located in the financial section of this report.

Certificate of Achievement for Excellence in Financial Reporting

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

Other Matters

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

Other Matters, continued

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

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

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

Very truly yours,



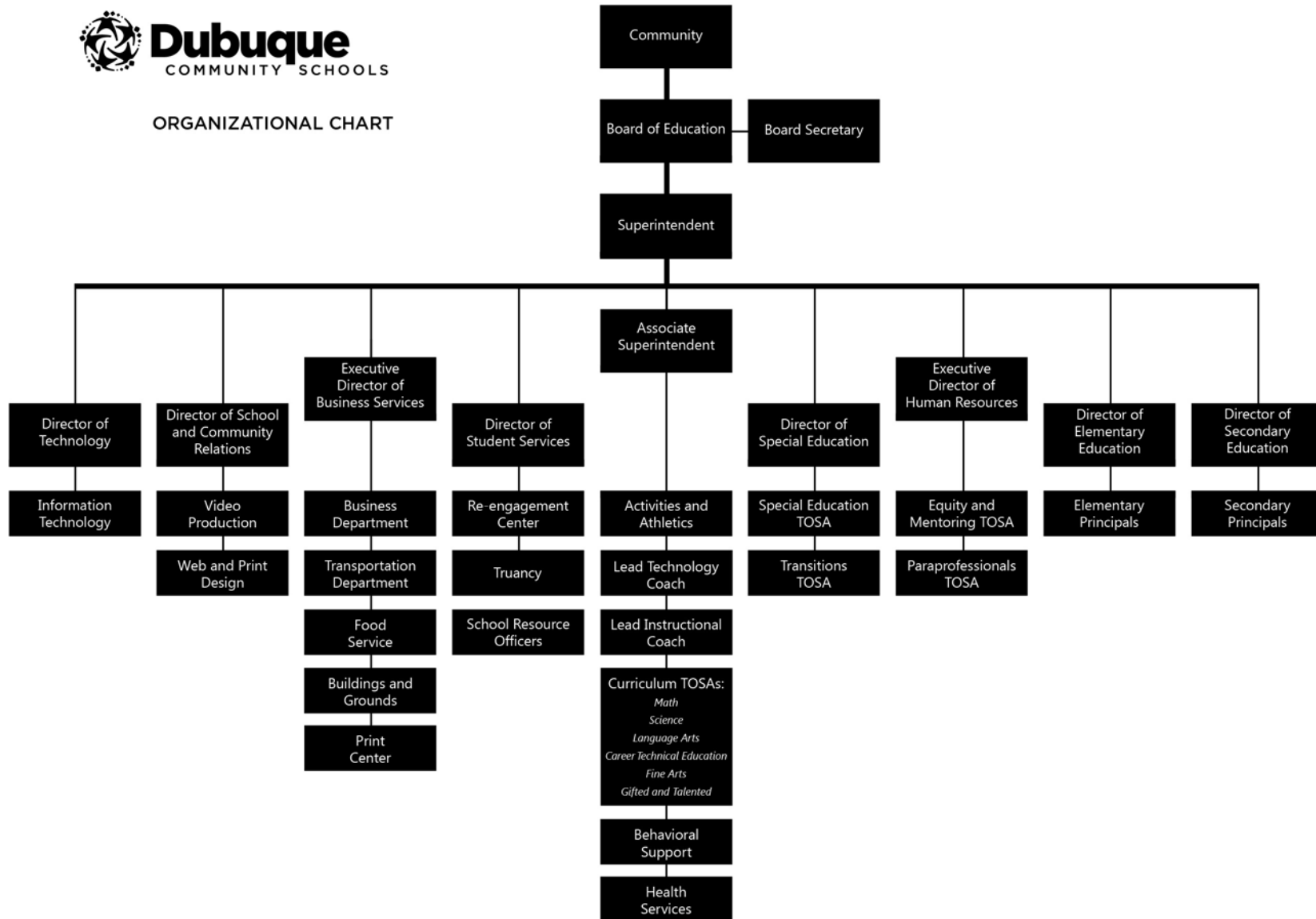
Kevin Kelleher
Executive Director of Finance and Business Services



Stan Rheingans
Superintendent of Schools



ORGANIZATIONAL CHART



Dubuque Community School District

Board of Education

Year Ended June 30, 2014

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

Dubuque Community School District

School District Administration

Year Ended June 30, 2014

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

Directors

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 & 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 & Benefits
Bill Burkhart	Manager of Buildings & Grounds
Charlie Clasen	Assistant Manager of Buildings and Grounds
Kris Hall	Manager of Transportation
Sue Shaul	Assistant Manager of Transportation
Joann Franck	Manager of Food Services
Kelsey Salow	Assistant Manager of Food Services

Dubuque Community School District

Consultants and Advisors

Year Ended June 30, 2014

Certified Public Accountants

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

Bond Attorneys

Ahlers, Cooney, Dorweiler, Haynie, Smith & Allbee
100 Court Avenue, Suite 600
Des Moines, IA 50309

General Counsel

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

Insurance Consultants

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

Financial Advisors

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

Dubuque Community School District

Consultants and Advisors

Year Ended June 30, 2014

Official Depositories

Premier Bank
2625 NW Arterial
Dubuque, IA 52002

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

Dubuque Bank & Trust
1398 Central
Dubuque, IA 52001

East Dubuque Savings Bank
3999 Pennsylvania Ave.
Dubuque, IA 52002

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

Bankers Trust
453 7th Street
Des Moines, IA 50309

Association of School Business Officials International



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

Dubuque Community School District

For Its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2013

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



Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION

Telephone 563/556-3392

FAX 563/556-3443

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

815 Century Drive
Dubuque, Iowa 52002

Independent Auditor's Report

To the Board of Education of
Dubuque Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Dubuque Community School District, Dubuque, Iowa, as of and for the year ended June 30, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 20 through 33 and 69 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dubuque Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the ten years ended June 30, 2013 (which are not presented herein) and expressed unmodified opinions on those financial statements. The combining nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and the accompanying Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2015 on our consideration of Dubuque Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dubuque Community School District's internal control over financial reporting and compliance.

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
January 12, 2015

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

Dubuque Community School District (the "District") provides this Management's Discussion and Analysis of its financial statements. The narrative overview and analysis focuses on the financial activities for the fiscal year ended June 30, 2014. Please read this information in conjunction with the District's financial statements, which immediately follow this section.

2014 FINANCIAL HIGHLIGHTS

- Funding levels for Iowa K-12 school districts depend principally on two factors: first, changes in enrollment and second, changes in *per pupil district cost*. Of these two factors, changes in *per pupil district cost* normally have the larger impact on District funding. *Per pupil district cost* is an amount annually set by state government. This amount has historically been determined by applying a percentage increase to the prior year's amount. The percentage increase was 4.0% for FY 2014-15, 2.0% for FY 2013-14, 2.0% for FY 2012-13, and 0% for FY 2011-12. This percentage amount has a substantial impact on district-funding levels.
- The District's enrollment has been relatively steady in recent years. From October 2013 to 2014, there was an increase of 55 students. The last three years have seen small enrollment increases. The Iowa Department of Education projects stable enrollment over the next several years.
- General fund revenues increased by \$1.3 million (1.2%) in FY 2013-14. Major components of this change include a \$1.4 million increase in state aid, a \$1.6 million decrease from real estate taxes and a \$1.5 million increase in miscellaneous income.
- General fund expenses increased by \$8.0 million (7.1%) in this fiscal year. Salaries and benefits comprise 80.2% of general fund expenditures for FY 2013-14 as compared to 80.6% of general fund expenditures for FY 2012-13.
- General fund excess of expenses over revenues resulted in a \$6.8 million decrease in fund balance and a \$4.3 million decrease in cash/investments. Estimated unspent balance also decreased by \$2.4 million.
- The District's total net position decreased by \$3.3 million (2.5%) this fiscal year primarily due to the District lowering the property tax levy rate which reduced the amount of property tax revenue collected and an 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. Cash reserve levy increases do not, however, increase unspent balance.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

2014 FINANCIAL HIGHLIGHTS, continued

- The FY 2013-14 unspent balance decreased by \$2.4 million. With 4.0% allowable growth for FY 2014-15, the unspent balance is projected to decline again in the FY 2014-15 year. The District will need to begin budget reduction planning to alleviate this trend.
- The Local Option Sales Tax, now called the Secure an Advanced Vision for Education ("SAVE") fund is used to build new facilities and improve old ones. The District collected approximately \$8.9 million of sales tax revenue in FY 2013-14 most of which was used to pay bond principal, bond interest, some construction costs, and the District technology plan. The collection amount substantially exceeds revenue projections made in January 2003 when the sales tax referendum first passed.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

USING THIS ANNUAL REPORT

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

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

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

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

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

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

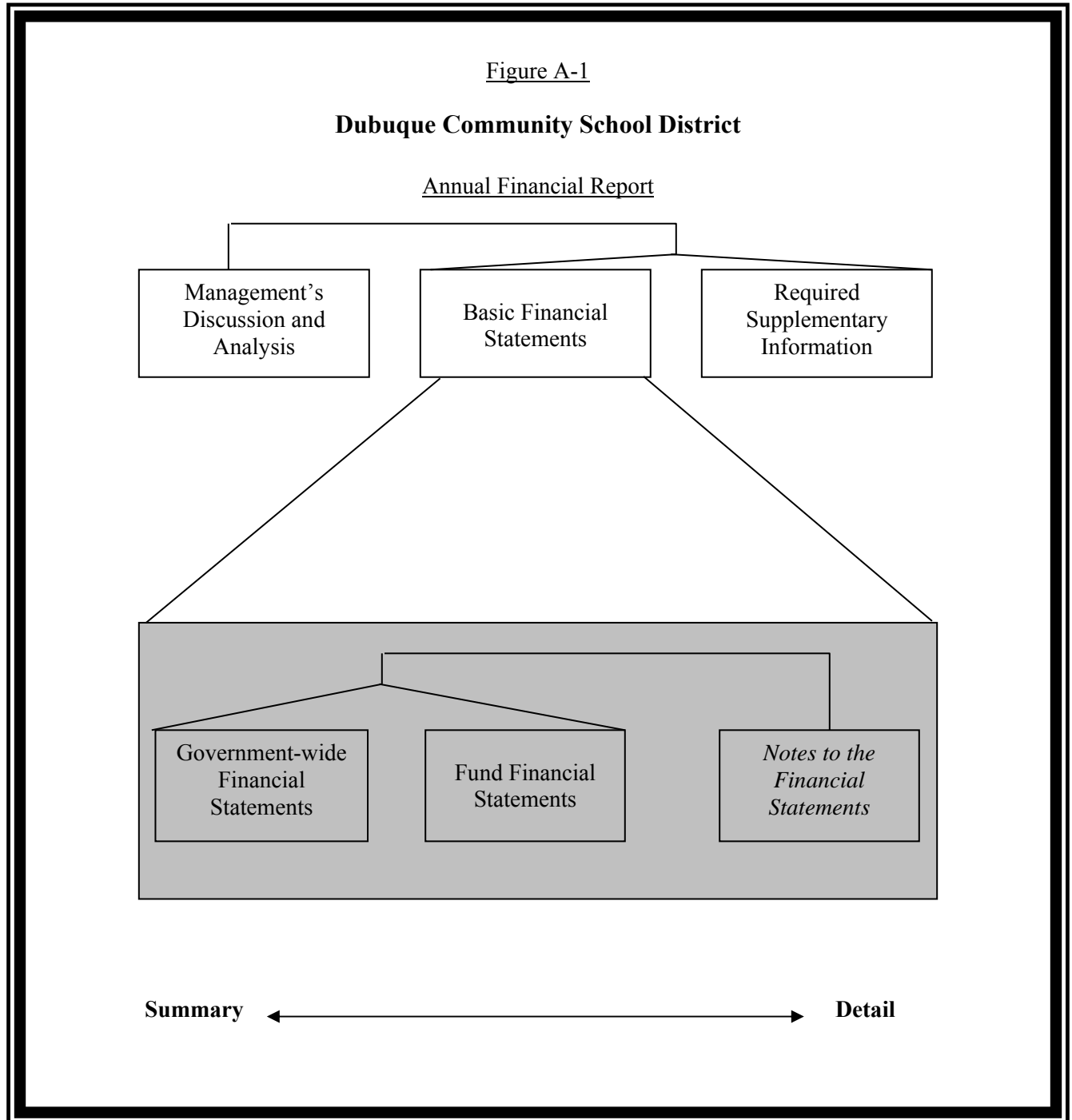
Other Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

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



Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

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

Figure A-2: Major Features of the Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance.	Activities the district operates similar to private businesses: food service is included here.	Instances in which the district administers resources on behalf of someone else, such as scholarship programs.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES, continued

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

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

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

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

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

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

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

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

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

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2014, compared to June 30, 2013.

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

	Governmental Activities		Business-type Activities		Total District		Total Percentage Change 2013-14
	2013	2014	2013	2014	2013	2014	
Current and other assets	\$116,140,039	\$104,270,816	\$ 833,342	\$ 895,479	\$116,973,381	\$105,166,295	(10.1%)
Capital assets	105,049,696	126,589,198	294,532	226,852	105,344,228	126,816,050	20.4%
Total assets	\$221,189,735	\$230,860,014	\$1,127,874	\$1,122,331	\$222,317,609	\$231,982,345	4.3%
Liabilities	\$ 45,094,269	\$ 56,407,360	\$ 204,977	\$ 239,610	\$ 45,299,246	\$ 56,646,970	25.1%
Deferred inflows of resources	45,605,198	45,075,240	82,904	83,134	45,688,102	45,158,374	(1.2%)
Total liabilities and deferred inflows of resources	\$ 90,699,467	\$101,482,600	\$ 287,881	\$ 322,744	\$ 90,987,348	\$101,805,344	11.9%
Net position							
Invested in capital assets, net of related debt	\$ 80,199,696	\$ 93,556,198	\$ 294,532	\$ 226,852	\$ 80,494,228	\$ 93,783,050	16.5%
Restricted	29,345,373	22,585,523	0	0	29,345,373	22,585,523	(23.0%)
Unrestricted	20,945,199	13,235,693	545,461	572,735	21,490,660	13,808,428	(35.7%)
Total net position	\$130,490,268	\$129,377,414	\$ 839,993	\$ 799,587	\$131,330,261	\$130,177,001	(0.9%)

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

Figure A-4 shows the change in net position for the year ended June 30, 2014, compared to the year ended June 30, 2013.

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

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2013-14
	2013	2014	2013	2014	2013	2014	
Revenues							
Program revenues							
changes for							
services	\$ 4,939,177	\$ 4,516,049	\$2,403,562	\$2,421,620	\$ 7,342,739	\$ 6,937,669	(5.5%)
Operating grants							
& contributions	19,679,045	19,919,287	2,590,171	2,667,519	22,269,216	22,586,806	1.4%
Capital grants &							
contributions	0	0	0	0	0	0	0.0%
General revenues							
property taxes							
and other taxes	57,952,210	54,230,914	0	0	57,952,210	54,230,914	(6.4%)
Unrestricted							
state grants	50,568,860	52,932,505	0	0	50,568,860	52,932,505	4.7%
Other	1,231,836	1,487,954	2,582	1,807	1,234,418	1,489,761	20.7%
Total revenues	\$134,371,128	\$133,086,709	\$4,996,315	\$5,090,946	\$139,367,443	\$138,177,655	(0.9%)
Expenses							
Instruction	\$ 77,755,484	\$ 83,984,002	\$ 0	\$ 0	\$ 77,755,484	\$ 83,984,002	8.0%
Support services							
student and							
instructional							
services	10,108,541	12,057,380	0	0	10,108,541	12,057,380	19.3%
Administrative							
and business	12,281,517	13,236,921	0	0	12,281,517	13,236,921	7.8%
Maintenance and							
operations	9,102,217	9,684,699	0	0	9,102,217	9,684,699	6.4%
Transportation	4,420,179	4,981,110	0	0	4,420,179	4,981,110	12.7%
Non-instructional	364,825	159,179	5,014,578	4,983,100	5,379,403	5,142,279	(4.4%)
Other	10,046,832	10,096,272	273,656	148,252	10,320,488	10,244,524	(0.7%)
Total expenses	\$124,079,595	\$134,199,563	\$5,288,234	\$5,131,352	\$129,367,829	\$139,330,915	7.7%
Change in net position	\$ 10,291,533	\$ (1,112,854)	\$ (291,919)	\$ (40,406)	\$ 9,999,614	\$ (1,153,260)	(111.5%)
Beginning net position	120,198,735	130,490,268	1,131,912	839,993	121,330,647	131,330,261	8.2%
Ending net position	\$130,490,268	\$129,377,414	\$ 839,993	\$ 799,587	\$131,330,261	\$130,177,001	(0.9%)

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

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
	2013	2014	2013-14	2013	2014	2013-14
Instruction	\$ 77,755,484	\$ 83,984,002	8.0%	\$59,080,364	\$ 65,920,361	11.6%
Support services						
student and						
instructional						
services	10,108,541	12,057,380	19.3%	9,094,725	11,052,554	21.5%
Administrative						
and business	12,281,517	13,236,921	7.8%	12,281,517	13,236,921	7.8%
Maintenance and						
operations	9,102,217	9,684,699	6.4%	9,102,217	9,684,699	6.4%
Transportation	4,420,179	4,981,110	12.7%	4,005,905	4,337,897	8.3%
Non-instructional	364,825	159,179	(56.4%)	364,825	159,179	(56.4%)
Other	10,046,832	10,096,272	0.5%	5,531,820	5,372,616	(2.9%)
Total	\$124,079,595	\$134,199,563	8.2%	\$99,461,373	\$109,764,227	10.4%

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 \$94,631 over the prior year. The school nutrition fund balances declined this year due to continued increases in food costs caused by the change in Federal requirements.

INDIVIDUAL FUND ANALYSIS

As previously noted, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the District as a whole is reflected in its government funds. At June 30, 2014, total government fund balance was \$43,175,338.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

Governmental Fund Highlights

- The District's fund and cash/investment balances and unspent balance all decreased in the 2013-14 fiscal year. At June 30, 2014, the estimated unspent balance was \$13,231,544.
- Salaries and benefits comprise about 80.2% of the general fund expenditures. These expenditures increased \$5,869,427 due primarily to the negotiated settlements with the District's eight different bargaining units.
- The physical plant and equipment levy (PPEL) fund balance decreased slightly in FY 2013-14. The District carefully monitors this fund to ensure balances are carried over from year-to-year in order to meet possible unexpected emergency costs and also to take advantage of property acquisition opportunities.
- Within the statewide sales, services, and use tax fund, revenues are generated by two main sources. They are the issuance of sales tax revenue bonds and sales taxes generated by statewide retail purchases. The statewide sales tax is now called Secure an Advanced Vision for Education (SAVE), formerly the Local Option Sales Tax (LOST). With regards to SAVE, the legislature recently passed legislation which did two things; first created a sunset date that this new provision would be in effect through June 30, 2029; and second, created a provision which required all collections of sales tax funds be put into a statewide pool which is then distributed on a district per pupil basis. Previous to this legislation, all sales tax generated in Dubuque County was distributed to the schools located within Dubuque County on a resident student basis. Because of this legislative change in how the funds are distributed, the District received a substantial decrease in sales tax funds of approximately \$3,200,000 compared to the previous year. The District was aware of this change and planned accordingly for the decrease. For the 2015-16 fiscal year, the District has been notified by the State that per pupil distribution has been projected to increase by \$20 per student or approximately \$212,000.

Proprietary Fund Highlights

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

BUDGETARY HIGHLIGHTS

The District maintains two types of budgets. The first is the *certified budget* which must meet certain state publication and monitoring requirements 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:

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

BUDGETARY HIGHLIGHTS, continued

instruction, total support services, non-instructional programs, and total other expenditures. The District amended its original budget in 2013-14 for an increase in expenditures from \$163,738,333 to \$168,938,333 to reflect increased expenses for student technology purchases, accelerated bus purchases and additional construction costs.

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, 2014, the District had invested \$124.6 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 an 18.3% increase over the prior year. More detailed information about the District's capital assets is presented in its Note 4 to the Financial Statements. Depreciation expense for the year was \$5,502,091.

The largest increase in capital assets during the year resulted from continued construction of facilities funded by sales tax revenues. The District is collecting approximately \$9 million annually from this fund source and it is anticipated its capital assets will continue to increase over the course of sales tax collection.

**Figure A-6
Capital Assets, Net of Depreciation
June 30, 2014**

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2013-14
	2013	2014	2013	2014	2013	2014	
Land	\$ 7,252,362	\$ 7,252,362	\$ 0	\$ 0	\$ 7,252,362	\$ 7,252,362	0.0%
Construction in progress	15,497,048	25,179,586	0	0	15,497,048	25,179,586	62.5%
Buildings and improvements	72,751,021	75,266,374	0	0	72,751,021	75,266,374	3.5%
Land improvements	2,061,231	12,419,970	0	0	2,061,231	12,419,970	502.6%
Furniture and equipment	7,488,034	6,470,906	294,532	226,852	7,782,566	6,697,758	(13.9%)
Total	\$105,049,696	\$126,589,198	\$294,532	\$226,852	\$105,344,228	\$126,816,050	20.4%

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

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

Capital Assets, continued

The District started two larger projects in the spring of 2013. They include a \$33,000,000 remodel/renovation at Hempstead High School which involves remodeling two wings, an additional gymnasium, and new auditorium. The other project includes a \$6,600,000 remodel/renovation of Kennedy Elementary School which involves a new gymnasium, additional classrooms, remodel of some classrooms and completion of air conditioning throughout the whole school. The District continued to work on both projects throughout FY 2013-14.

Long-term Debt

At June 30, 2014, the District had \$33,033,000 in revenue bond debt outstanding. This represents an increase of approximately 32.9% from the prior year and results from borrowing for new projects exceeding the amount of bond principal paid during the year. The majority of the outstanding debt is secured by a first lien against sales tax collections. The District implemented GASB Statement No. 45 during the year ended June 30, 2009, resulting in a new liability called Other Post-Employment Benefits or OPEB for short. See Notes 5 and 7 to the Financial Statements for additional information.

Figure A-7
Outstanding Long-term Bond Obligations
June 30, 2014

	Total District		Total Change
	2013	2014	2013-14
Revenue bonds	\$24,850,000	\$33,033,000	\$8,183,000

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The level of *unspent balance* has greatly improved in recent years due mainly to the \$5,000,000 budget reduction plan approved by the Board of Education in March of 2010. However, with 2.0% allowable growth for FY 2013-14 and 4.0% allowable growth percentage for FY 2014-15, the District will need to monitor expenditures and how they affect future years' unspent balance. The budget planning for the District becomes much more difficult when the State legislature does not approve the allowable growth rate in a timely manner. This was the case for FY 2013-14, as the legislature approved the allowable growth rate late in the spring of 2013 which is the same time school budgets are due. This timing also makes it very difficult for the District to negotiate contracts for the upcoming year with the eight bargaining units. Additions to *unspent balance* are controlled by the State of Iowa. The District continues to apply to the State School Budget Review Committee

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2014

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE, continued

for *modified allowable growth* (a direct addition to *unspent balance*) whenever possible. District administration will continue to work with the State of Iowa Department of Education to ascertain when requests for *modified allowable growth* are appropriate.

- The Instructional Support Levy (ISL) is used to support a variety of education programs including the following:
 - ◆ Full-day, every day kindergarten in every elementary school.
 - ◆ Grades K-3 class-size reduction.
 - ◆ Upgrading outdated equipment in classrooms, science and industrial technology labs, print centers, and the transportation department.
 - ◆ Restoration of site-based funding that was discontinued in prior years.

For years prior to 2008-09, the District's ISL rate was 5%. On February 3, 2009, the District's voters passed a referendum for a 10% ISL for fiscal years 2009-10 through 2018-19. This increases the District's spending authority by approximately \$2.3 million per year.

- District employees are covered by the Iowa Public Employees Retirement System (IPERS). This system has experienced recent-year increases in its unfunded actuarial liability resulting in a change to both employer and employee contribution rates. Wage levels will likely rise due to inflation and negotiated settlements. The IPERS' rate for the upcoming fiscal years is scheduled to remain unchanged.
- Iowa school district funding faces many challenges in future years. Approximately \$63 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 2014-15 when compared to FY 2013-14 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.
- In December 2014, the District issued \$15,960,000 of School Infrastructure Sales, Services and Use Tax Revenue Bonds for continued renovations at Hempstead High School, the study and architectural drawings on a major remodel/addition project at Dubuque Senior High School, and/or other school infrastructure projects.

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, 2014

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 52,764,690	\$ 792,677	\$ 53,557,367
Receivables:			
Property tax:			
Delinquent	414,724	0	414,724
Succeeding year	44,991,878	0	44,991,878
Accounts	171,102	0	171,102
Interest:			
Other	16,047	0	16,047
Due from other governments	5,368,177	0	5,368,177
Inventories	534,198	102,802	637,000
Security deposit	10,000	0	10,000
Total current assets	\$104,270,816	\$ 895,479	\$105,166,295
Non-current assets:			
Capital assets not being depreciated	\$ 32,431,948	\$ 0	\$ 32,431,948
Capital assets net of accumulated depreciation/amortization	94,157,250	226,852	94,384,102
Total non-current assets	\$126,589,198	\$ 226,852	\$126,816,050
Total assets	\$230,860,014	\$ 1,122,331	\$231,982,345
Liabilities:			
Current liabilities:			
Accounts payable	\$ 4,267,422	\$ 6,963	\$ 4,274,385
Salaries and benefits payable	10,966,413	0	10,966,413
Early retirement payable	237,469	0	237,469
Due to other governments	538,934	0	538,934
Security deposit payable	10,000	0	10,000
Accrued interest payable	190,191	0	190,191
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	1,130,000	0	1,130,000
Compensated absences	528,193	0	528,193
Portion due after one year:			
Revenue bonds	31,903,000	0	31,903,000
Net OPEB liability	6,635,738	232,647	6,868,385
Total liabilities	\$ 56,407,360	\$ 239,610	\$ 56,646,970
Deferred Inflows of Resources:			
Unavailable revenues:			
Succeeding year property tax	\$ 44,991,878	\$ 0	\$ 44,991,878
Other	83,362	83,134	166,496
Total deferred inflows of resources	\$ 45,075,240	\$ 83,134	\$ 45,158,374
Net position:			
Net investment in capital assets	\$ 93,556,198	\$ 226,852	\$ 93,783,050
Restricted for:			
Teacher salary supplement	254,547	0	254,547
Professional development	335,008	0	335,008
Market factor incentives	37,513	0	37,513
Four-year-old preschool state aid	76,296	0	76,296
Professional development for model core curriculum	570,960	0	570,960
Textbook aid for non-public students	12,498	0	12,498
Successful progression for early readers	58,443	0	58,443
Teacher leadership grants	24,368	0	24,368
Beginning teacher mentoring and induction program	8,183	0	8,183
Student activities	801,157	0	801,157
Management levy	8,404,147	0	8,404,147
Physical plant and equipment levy	3,043,310	0	3,043,310
Capital projects	5,771,286	0	5,771,286
Debt service	3,187,807	0	3,187,807
Unrestricted	13,235,693	572,735	13,808,428
Total net position	\$129,377,414	\$ 799,587	\$130,177,001

See notes to financial statements.

Dubuque Community School District
Statement of Activities
Year Ended June 30, 2014

	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	\$ 45,941,081	\$ 892,616	\$ 6,016,891	\$ (39,031,574)	\$ 0	\$ (39,031,574)
Special instruction	24,838,241	1,783,643	7,214,960	(15,839,638)	0	(15,839,638)
Other instruction	13,204,680	1,788,866	366,665	(11,049,149)	0	(11,049,149)
	<u>\$ 83,984,002</u>	<u>\$4,465,125</u>	<u>\$13,598,516</u>	<u>\$ (65,920,361)</u>	<u>\$ 0</u>	<u>\$ (65,920,361)</u>
Support services:						
Student services	\$ 6,306,779	\$ 0	\$ 516,642	\$ (5,790,137)	\$ 0	\$ (5,790,137)
Instructional staff services	5,750,601	0	488,184	(5,262,417)	0	(5,262,417)
Administration services	13,236,921	0	0	(13,236,921)	0	(13,236,921)
Operation & maintenance of plant services	9,684,699	0	0	(9,684,699)	0	(9,684,699)
Transportation services	4,981,110	50,924	592,289	(4,337,897)	0	(4,337,897)
	<u>\$ 39,960,110</u>	<u>\$ 50,924</u>	<u>\$ 1,597,115</u>	<u>\$ (38,312,071)</u>	<u>\$ 0</u>	<u>\$ (38,312,071)</u>
Non-instructional programs	<u>\$ 159,179</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (159,179)</u>	<u>\$ 0</u>	<u>\$ (159,179)</u>
AEA flowthrough	\$ 4,723,656	\$ 0	\$ 4,723,656	\$ 0	\$ 0	\$ 0
Interest and other charges	523,015	0	0	(523,015)	0	(523,015)
Other post-employment benefits	911,203	0	0	(911,203)	0	(911,203)
Depreciation and other expenses (unallocated)*	3,938,398	0	0	(3,938,398)	0	(3,938,398)
	<u>\$ 10,096,272</u>	<u>\$ 0</u>	<u>\$ 4,723,656</u>	<u>\$ (5,372,616)</u>	<u>\$ 0</u>	<u>\$ (5,372,616)</u>
Total governmental activities	<u>\$134,199,563</u>	<u>\$4,516,049</u>	<u>\$19,919,287</u>	<u>\$(109,764,227)</u>	<u>\$ 0</u>	<u>\$(109,764,227)</u>
Business-type activities:						
Non-instructional programs:						
Nutrition services	\$ 4,983,100	\$2,421,620	\$ 2,667,519	\$ 0	\$ 106,039	\$ 106,039
Total	<u>\$139,182,663</u>	<u>\$6,937,669</u>	<u>\$22,586,806</u>	<u>\$(109,764,227)</u>	<u>\$ 106,039</u>	<u>\$(109,658,188)</u>
General Revenues:						
Property tax levied for:						
General purposes				\$ 41,857,102	\$ 0	\$ 41,857,102
Capital outlay				3,399,452	0	3,399,452
Local option sales tax				8,974,360	0	8,974,360
Unrestricted state grants				52,932,505	0	52,932,505
Unrestricted investment earnings				139,790	1,807	141,597
Miscellaneous				1,199,912	0	1,199,912
Total general revenues				<u>\$ 108,503,121</u>	<u>\$ 1,807</u>	<u>\$ 108,504,928</u>
Transfers				148,252	(148,252)	0
Total general revenues and transfers				<u>\$ 108,651,373</u>	<u>\$(146,445)</u>	<u>\$ 108,504,928</u>
Change in net position				\$ (1,112,854)	\$ (40,406)	\$ (1,153,260)
Net position beginning of year				130,490,268	839,993	131,330,261
Net position end of year				<u>\$ 129,377,414</u>	<u>\$ 799,587</u>	<u>\$ 130,177,001</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, 2014

Assets	General	Capital Projects Fund	Debt Service Fund	Special Revenue Fund	Total
Cash and pooled investment	\$30,179,926	\$ 9,979,924	\$3,171,760	\$ 9,433,080	\$ 52,764,690
Receivables:					
Property tax:					
Delinquent	329,088	30,318	0	55,318	414,724
Succeeding year	36,672,160	3,569,718	0	4,750,000	44,991,878
Accounts	171,102	0	0	0	171,102
Interest:					
Other	0	0	16,047	0	16,047
Due from other governments	3,903,795	1,464,382	0	0	5,368,177
Inventories	534,198	0	0	0	534,198
Security deposit	10,000	0	0	0	10,000
Total assets	<u>\$71,800,269</u>	<u>\$15,044,342</u>	<u>\$3,187,807</u>	<u>\$14,238,398</u>	<u>\$104,270,816</u>
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable	\$ 1,578,985	\$ 2,653,930	\$ 0	\$ 34,507	\$ 4,267,422
Salaries and benefits payable	10,966,413	0	0	0	10,966,413
Early retirement payable	0	0	0	237,469	237,469
Due to other governments	538,934	0	0	0	538,934
Security deposit payable	10,000	0	0	0	10,000
Total liabilities	<u>\$13,094,332</u>	<u>\$ 2,653,930</u>	<u>\$ 0</u>	<u>\$ 271,976</u>	<u>\$ 16,020,238</u>
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	\$36,672,160	\$ 3,569,718	\$ 0	\$ 4,750,000	\$ 44,991,878
Other	66,146	6,098	0	11,118	83,362
Total deferred inflows of resources	<u>\$36,738,306</u>	<u>\$ 3,575,816</u>	<u>\$ 0</u>	<u>\$ 4,761,118</u>	<u>\$ 45,075,240</u>
Fund balances:					
Non-spendable:					
Inventory	\$ 534,198	\$ 0	\$ 0	\$ 0	\$ 534,198
Restricted for:					
Categorical funding:					
Teacher salary supplement	254,547	0	0	0	254,547
Professional development	335,008	0	0	0	335,008
Market factor incentives	37,513	0	0	0	37,513
Four-year-old preschool state aid	76,296	0	0	0	76,296
Professional development for model core curriculum	570,960	0	0	0	570,960
Textbook aid for non-public students	12,498	0	0	0	12,498
Successful progression for early readers	58,443	0	0	0	58,443
Teacher leadership grants	24,368	0	0	0	24,368
Beginning teacher mentoring and induction program	8,183	0	0	0	8,183
Debt service	0	0	3,187,807	0	3,187,807
Management levy purposes	0	0	0	8,404,147	8,404,147
Student activities	0	0	0	801,157	801,157
School infrastructure	0	5,771,286	0	0	5,771,286
Physical plant and equipment levy	0	3,043,310	0	0	3,043,310
Unassigned	20,055,617	0	0	0	20,055,617
Total fund balances	<u>\$21,967,631</u>	<u>\$ 8,814,596</u>	<u>\$3,187,807</u>	<u>\$ 9,205,304</u>	<u>\$ 43,175,338</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$71,800,269</u>	<u>\$15,044,342</u>	<u>\$3,187,807</u>	<u>\$14,238,398</u>	<u>\$104,270,816</u>

See notes to financial statements.

Dubuque Community School District
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
Year Ended June 30, 2014

Total fund balances of governmental funds (page 37) \$ 43,175,338

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 126,589,198

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. (190,191)

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	\$ 528,193	
Bonds payable	33,033,000	
Net OPEB liability	<u>6,635,738</u>	
		<u>(40,196,931)</u>

Net position of governmental activities (page 35) \$129,377,414

See notes to financial statements.

Dubuque Community School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

	General	Capital Projects Fund	Debt Service Fund	Special Revenue Fund	Total
Revenues:					
Local sources:					
Local tax	\$ 35,856,044	\$ 3,399,452	\$ 0	\$ 6,001,058	\$ 45,256,554
Tuition	2,076,227	0	0	0	2,076,227
Other	2,516,969	67,668	29,899	1,789,114	4,403,650
State sources	65,899,559	8,976,073	0	3,382	74,879,014
Federal sources	6,323,012	0	0	0	6,323,012
Total revenues	\$112,671,811	\$ 12,443,193	\$ 29,899	\$ 7,793,554	\$132,938,457
Expenditures:					
Current:					
Instruction:					
Regular instruction	\$ 43,124,337	\$ 2,246,919	\$ 0	\$ 467,737	\$ 45,838,993
Special instruction	24,657,319	0	0	156,334	24,813,653
Other instruction	11,673,565	8,253	0	1,487,712	13,169,530
	\$ 79,455,221	\$ 2,255,172	\$ 0	\$ 2,111,783	\$ 83,822,176
Support services:					
Student services	\$ 6,084,684	\$ 163,734	\$ 0	\$ 57,143	\$ 6,305,561
Instructional staff services	5,670,661	0	0	79,940	5,750,601
Administration services	11,172,599	1,350,791	0	202,426	12,725,816
Operation and maintenance of plant services	8,962,416	0	0	636,840	9,599,256
Transportation services	3,778,519	1,649,434	0	184,778	5,612,731
	\$ 35,668,879	\$ 3,163,959	\$ 0	\$ 1,161,127	\$ 39,993,965
Non-instructional programs	\$ 0	\$ 43,845	\$ 0	\$ 112,482	\$ 156,327
Facilities acquisition	\$ 0	\$ 25,750,982	\$ 0	\$ 0	\$ 25,750,982
Debt service:					
Principal	0	0	4,850,000	0	4,850,000
Interest and other charges	0	116,998	354,007	0	471,005
AEA flowthrough	4,723,656	0	0	0	4,723,656
	\$ 4,723,656	\$ 25,867,980	\$ 5,204,007	\$ 0	\$ 35,795,643
Total expenditures	\$119,847,756	\$ 31,330,956	\$ 5,204,007	\$ 3,385,392	\$159,768,111
Excess (deficiency) of revenues over (under) expenditures	\$ (7,175,945)	\$ (18,887,763)	\$ (5,174,108)	\$ 4,408,162	\$ (26,829,654)
Other financing sources:					
Revenue bonds issued	\$ 0	\$ 13,033,000	\$ 0	\$ 0	\$ 13,033,000
Sales of property and equipment	158,695	0	0	0	158,695
Transfers in	201,778	1,175,000	2,532,078	0	3,908,856
Transfers out	0	(2,532,078)	(1,175,000)	(53,526)	(3,760,604)
Net change in fund balances	\$ (6,815,472)	\$ (7,211,841)	\$ (3,817,030)	\$ 4,354,636	\$ (13,489,707)
Fund balances beginning of year	28,783,103	16,026,437	7,004,837	4,850,668	56,665,045
Fund balances end of year	\$ 21,967,631	\$ 8,814,596	\$ 3,187,807	\$ 9,205,304	\$ 43,175,338

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, 2014

Net change in fund balances – total governmental funds (page 39) \$(13,489,707)

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	\$ 27,355,727	
Depreciation expense	<u>(5,502,091)</u>	
		21,853,636

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

Book value of assets retired this year. (314,134)

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	\$(13,033,000)	
Repaid	<u>4,850,000</u>	
		(8,183,000)

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. (52,010)

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	\$ (16,436)	
Other post-employment benefits	<u>(911,203)</u>	
		<u>(927,639)</u>

Change in net position of governmental activities (page 36) \$ (1,112,854)

See notes to financial statements.

Dubuque Community School District
Statement of Net Position
Proprietary Fund
June 30, 2014

	<u>School Nutrition</u>
Assets:	
Current assets:	
Cash	\$ 792,677
Inventories	<u>102,802</u>
Total current assets	<u>\$ 895,479</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>226,852</u>
Total assets	<u>\$1,122,331</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 6,963
Long-term liabilities:	
Net OPEB liability	<u>232,647</u>
Total liabilities	<u>\$ 239,610</u>
Deferred Inflows of Resources:	
Other	<u>\$ 83,134</u>
Total deferred inflows of resources	<u>\$ 83,134</u>
Net Position:	
Invested in capital assets	\$ 226,852
Unrestricted	<u>572,735</u>
Total net position	<u>\$ 799,587</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, 2014

	<u>School Nutrition</u>
Operating revenue:	
Local sources:	
Charges for service	\$ 2,395,633
Other	<u>25,987</u>
Total operating revenue	\$ 2,421,620
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	\$ 1,772,843
Benefits	729,301
Purchased services	55,835
Supplies	2,351,989
Depreciation	64,238
Loss on disposal of assets	<u>8,894</u>
Total operating expenses	\$ 4,983,100
Operating loss	<u>\$(2,561,480)</u>
Non-operating revenue:	
State sources	\$ 38,865
Federal sources	2,628,654
Interest on investments	<u>1,807</u>
Total non-operating revenue	\$ 2,669,326
Net income before transfers	\$ 107,846
Transfers in	84
Transfers out	<u>(148,336)</u>
Change in net position	\$ (40,406)
Net position beginning of year	<u>839,993</u>
Net position end of year	<u><u>\$ 799,587</u></u>

See notes to financial statements.

Dubuque Community School District
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2014

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 2,368,462
Cash received from miscellaneous operating activities	54,059
Cash payments to employees for services	(2,474,444)
Cash payments to suppliers for goods or services	<u>(2,095,689)</u>
Net cash used in operating activities	<u>\$(2,147,612)</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 38,865
Federal grants received	2,289,473
Transfers from other funds	84
Transfers to other funds	<u>(148,336)</u>
Net cash provided by non-capital financing activities	<u>\$ 2,180,086</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	\$ (5,452)
Cash flows from investing activities:	
Interest on investments	<u>1,807</u>
Net increase in cash and cash equivalents	\$ 28,829
Cash and cash equivalents at beginning of year	<u>763,848</u>
Cash and cash equivalents at end of year	<u>\$ 792,677</u>

(continued)

Dubuque Community School District
Statement of Cash Flows (continued)
Proprietary Fund
Year Ended June 30, 2014

**School
Nutrition**

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

Operating loss	\$(2,561,480)
Adjustments to reconcile operating loss to net cash used in operation activities:	
Commodities used	339,181
Depreciation	64,238
Loss on disposal of assets	8,894
(Increase) in inventories	(33,308)
Increase in accounts payable	6,932
(Decrease) in accrued salaries and benefits	(4,245)
Increase in unearned revenue (non-federal grants)	230
Increase in net OPEB liability	<u>31,946</u>
Net cash used in operating activities	<u><u>\$(2,147,612)</u></u>

Non-cash investing, capital, and financial activities:

During the year ended June 30, 2014, the District received \$339,181 of Federal commodities.

See notes to financial statements.

Dubuque Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Private Purpose Trust</u>	<u>Agency</u>
	<u>Scholarship</u>	
Assets:		
Cash	\$146,075	\$31,415
Liabilities:		
Other payables	\$ <u>0</u>	<u>\$31,415</u>
Net Position:		
Reserved for scholarships	<u>\$146,075</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, 2014

	<u>Private Purpose Trust</u>
	<u>Total</u>
Additions:	
Local sources:	
Other local sources	\$ 6,890
Interest on investments	<u>347</u>
Total revenues	<u>\$ 7,237</u>
Deductions:	
Instruction:	
Regular instruction:	
Other	<u>\$ 11,761</u>
Change in net position	\$ (4,524)
Net position beginning of year	<u>150,599</u>
Net position end of year	<u><u>\$146,075</u></u>

See notes to financial statements.

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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, 2014

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:

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

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

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

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

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

The District reports the following major governmental funds:

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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

B. Basis of Presentation: (continued)

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

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

The District reports the following major proprietary fund:

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

The District also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary funds include the following:

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

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

C. Measurement Focus and Basis of Accounting

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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, 2014

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, 2012, assessed property valuations; is for the tax accrual period July 1, 2013, through June 30, 2014, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2013.

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, 2014

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

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

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

Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements for all employees. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2014. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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

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

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

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

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

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

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

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

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

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

Net position restricted through enabling legislation include \$1,377,816 for state funding, \$5,771,286 for capital projects, \$3,187,807 for debt service, \$3,043,310 for physical plant and equipment levy, \$8,404,147 for management levy purposes, and \$801,157 for student activities.

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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 January 12, 2015, 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, 2014, the book balance of the District's petty cash totaled \$12,725 and the cash deposit balances totaled \$51,940,417.

As of June 30, 2014, the District had investments as follows:

<u>Investment</u>	<u>Type</u>	<u>Issue Date</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Amount</u>
Dubuque Bank & Trust	Certificate of Deposit	06/05/13	9 months	06/05/16	\$ 781,655
Dubuque Bank & Trust	Certificate of Deposit	05/22/12	134 months	07/01/23	<u>1,000,000</u>
					<u>\$1,781,655</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.

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

Note 2: Cash and Pooled Investments: (continued)

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, 2014, 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	\$ 12,785
Cash deposits	51,940,417
Investments	<u>1,781,655</u>
	<u>\$53,734,857</u>
 Governmental activities	 \$52,764,690
Business-type activities	792,677
Fiduciary funds:	
Private Purpose Trust	146,075
Agency	<u>31,415</u>
	<u>\$53,734,857</u>

Note 3: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2014, is as follows:

Transfer to	Transfer from	Amount
General	Proprietary	\$ 148,336
Debt Service	Capital Projects	2,532,078
General	Special Revenue: Student Activity	53,442
Capital Projects	Debt Service	1,175,000
Proprietary	Special Revenue: Student Activity	<u>84</u>
Total		<u>\$3,908,940</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, 2014

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2014, is as follows:

	Balance Beginning of Year	Increases / Reclassifications	(Decreases)	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,252,362	\$ 0	\$ 0	\$ 7,252,362
Construction in progress	15,497,048	21,453,091	(11,770,553)	25,179,586
Total capital assets not being depreciated	\$ 22,749,410	\$21,453,091	\$(11,770,553)	\$ 32,431,948
Capital assets being depreciated:				
Buildings and improvements	\$108,178,549	\$ 5,741,863	\$ 0	\$113,920,412
Land improvements	6,293,163	11,096,656	0	17,389,819
Furniture and equipment	21,659,239	1,797,054	(1,456,995)	21,999,298
Total capital assets being depreciated	\$136,130,951	\$18,635,573 *	\$ (1,456,995)	\$153,309,529
Less accumulated depreciation for:				
Buildings and improvements	\$ 35,427,528	\$ 3,226,510	\$ 0	\$ 38,654,038
Land improvements	4,231,932	737,917	0	4,969,849
Furniture and equipment	14,171,205	1,847,898	(490,711)	15,528,392
Total accumulated depreciation	\$ 53,830,665	\$ 5,812,325 *	\$ (490,711)	\$ 59,152,279
Total capital assets being depreciated, net	\$ 82,300,286	\$12,823,248	\$ (966,284)	\$ 94,157,250
Governmental activities capital assets, net	\$105,049,696	\$34,276,339	\$(12,736,837)	\$126,589,198
Business-type Activities:				
Furniture and equipment	\$ 1,583,520	\$ 2,939	\$ (125,013)	\$ 1,461,446
Less accumulated depreciation	1,288,988	64,238	(118,632)	1,234,594
Business-type activities capital assets, net	\$ 294,532	\$ (61,299)	\$ (6,381)	\$ 226,852

* On July 1, 2013, the District implemented a new fixed asset system. The total capital assets being depreciated include \$17,673,189 of new assets. The total accumulated depreciation includes fiscal year 2013-2014 depreciation of \$5,502,091.

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

Note 4: Capital Assets: (continued)

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 184,502
Special	23,045
Other	116,991

Support services:

Student services	1,218
Instructional staff	0
Administration	519,096
Operation and maintenance of plant	135,806
Transportation	721,914
Non-instructional programs	0

\$1,702,572

Unallocated depreciation 3,799,519

Total governmental activities depreciation expense \$5,502,091

Business-type activities:

Food services	
Regular depreciation	<u>\$ 64,238</u>

Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2014, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$24,850,000	\$13,033,000	\$4,850,000	\$33,033,000	\$1,130,000
Compensated absences	511,757	528,193	511,757	528,193	528,193
Net OPEB liability	5,724,535	1,488,146	576,943	6,635,738	0
	<u>\$31,086,292</u>	<u>\$15,049,339</u>	<u>\$5,938,700</u>	<u>\$40,196,931</u>	<u>\$1,658,193</u>
Business type activities:					
Net OPEB liability	<u>\$ 200,701</u>	<u>\$ 52,174</u>	<u>\$ 20,228</u>	<u>\$ 232,647</u>	<u>\$ 0</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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, 2014, is as follows:

Summary – Debt Service Requirements to Maturity			
Year Ending June 30	Principal	Interest	Total
2015	\$ 1,130,000	\$ 680,953	\$ 1,810,953
2016	1,390,000	761,485	2,151,485
2017	1,960,000	732,441	2,692,441
2018	1,975,000	699,216	2,674,216
2019	2,994,000	649,697	3,643,697
2020	3,009,000	582,792	3,591,792
2021	2,930,000	514,920	3,444,920
2022	2,960,000	445,621	3,405,621
2023	2,995,000	373,043	3,368,043
2024	2,100,000	307,977	2,407,977
2025	1,745,000	255,746	2,000,746
2026	1,760,000	206,407	1,966,407
2027	1,775,000	155,396	1,930,396
2028	1,790,000	102,825	1,892,825
2029	1,810,000	48,742	1,858,742
2030	710,000	15,150	725,150
	<u>\$33,033,000</u>	<u>\$6,532,411</u>	<u>\$39,565,411</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

Note 5: Long-term Liabilities: (continued)

Details of the District's June 30, 2014, 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
2015	1.50%	\$ 565,000	\$ 175,125	\$ 740,125
2016	1.50%	570,000	166,613	736,613
2017	1.50%	1,165,000	153,600	1,318,600
2018	1.50%	1,175,000	136,050	1,311,050
2019	1.55%	1,190,000	118,015	1,308,015
2020	1.75%	1,210,000	98,205	1,308,205
2021	1.95%	1,230,000	75,625	1,305,625
2022	2.10%	1,250,000	50,508	1,300,508
2023	2.25%	1,275,000	23,038	1,298,038
2024	2.35%	370,000	4,347	374,347
		<u>\$10,000,000</u>	<u>\$1,001,126</u>	<u>\$11,001,126</u>

Series 2013 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2015	1.50%	\$ 565,000	\$ 196,783	\$ 761,783
2016	1.50%	570,000	188,270	758,270
2017	1.50%	570,000	179,720	749,720
2018	1.50%	575,000	171,133	746,133
2019	1.50%	580,000	162,470	742,470
2020	1.50%	590,000	153,695	743,695
2021	1.50%	600,000	144,770	744,770
2022	1.65%	610,000	135,238	745,238
2023	1.75%	620,000	124,780	744,780
2024	2.00%	630,000	113,055	743,055
2025	2.15%	645,000	99,821	744,821
2026	2.35%	660,000	85,132	745,132
2027	2.55%	675,000	68,771	743,771
2028	2.70%	690,000	50,850	740,850
2029	2.85%	710,000	31,417	741,417
2030	3.00%	710,000	15,150	725,150
		<u>\$10,000,000</u>	<u>\$1,921,055</u>	<u>\$11,921,055</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

Note 5: Long-term Liabilities: (continued)

Series 2014 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2015	3.15%	\$ 0	\$ 309,045	\$ 309,045
2016	3.15%	250,000	406,602	656,602
2017	3.15%	225,000	399,121	624,121
2018	3.15%	225,000	392,033	617,033
2019	3.15%	1,224,000	369,212	1,593,212
2020	3.15%	1,209,000	330,892	1,539,892
2021	3.15%	1,100,000	294,525	1,394,525
2022	3.15%	1,100,000	259,875	1,359,875
2023	3.15%	1,100,000	225,225	1,325,225
2024	3.15%	1,100,000	190,575	1,290,575
2025	3.15%	1,100,000	155,925	1,255,925
2026	3.15%	1,100,000	121,275	1,221,275
2027	3.15%	1,100,000	86,625	1,186,625
2028	3.15%	1,100,000	51,975	1,151,975
2029	3.15%	1,100,000	17,325	1,117,325
2030	3.15%	0	0	0
		\$13,033,000	\$3,610,230	\$16,643,230

The District has pledged future statewide sales, services and use tax revenues to repay the \$33,033,000 of bonds issued in May 2012, June 2013, and March 2014.

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.

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

Note 5: Long-term Liabilities: (continued)

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 \$39,565,411.

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

- a) \$2,956,655 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all revenue-bond provisions during the year ended June 30, 2014.

During the year ended June 30, 2014, the District made interest payments totaling \$354,007.

Note 6: Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 5.95% of their annual covered salary and the District is required to contribute 8.93% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2014, 2013, and 2012 were \$6,225,569, \$5,734,626, and \$5,218,342, respectively, equal to the required contributions for each year.

The District offers voluntary early retirement plans to its certified, administrative, and classified employees. Eligible employees must be at least age fifty-five, must have completed either fifteen or twenty years of service, depending on the employee's classification, and the last five years must be

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

Note 6: Pension and Retirement Benefits: (continued)

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, 2014, the District has obligations to nineteen (19) participants with a total accrued liability of \$237,469. These early retirement benefits will be paid July 1, 2014.

Early retirement benefits paid during the year ended June 30, 2014, totaled \$203,014.

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, 2014, the amount actuarially contributed to the plan and changes in the District's annual OPEB obligation:

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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

Annual required contribution	\$1,362,563
Interest on net OPEB obligation	177,757
Adjustment to annual required contribution	<u>(197,508)</u>
Annual OPEB cost (expenses)	\$1,342,812
Contributions and payments made	<u>(399,663)</u>
Increase in net OPEB obligation	\$ 943,149
 Net OPEB obligation – June 30, 2013	 <u>5,925,236</u>
Net OPEB obligation – June 30, 2014	<u>\$6,868,385</u>

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, 2014.

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, 2014, are summarized as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$1,722,935	37.4%	\$2,203,908
June 30, 2011	\$2,067,203	30.5%	\$3,640,609
June 30, 2012	\$2,076,822	28.6%	\$5,123,789
June 30, 2013	\$1,345,484	40.4%	\$5,925,236
June 30, 2014	\$1,342,812	29.8%	\$6,868,385

Funded Status and Funding Progress: As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2013, through June 30, 2014, the actuarial accrued liability was \$14.401 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$14.401 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$69,715,216 and the ratio of the UAAL to covered payroll was 20.7%. As of June 30, 2014, 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,

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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

presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2012, actuarial valuation the unit credit actuarial cost method was used. The actuarial assumptions included an annual health care cost trend rate of 4.1% initially, grading to 4.4%. The District's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at July 1, 2012, was 30 years.

Note 8: Risk Management

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

Note 9: Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$4,723,656 for the year ended June 30, 2014, and is recorded in the general fund by making a memorandum adjusting entry to the financial statements.

Note 10: Construction Contracts and Other Commitments

On May 13, 2013, the District signed a \$30,343,000 contract for renovations to Hempstead High School. As of June 30, 2014, \$(547,938) of change orders had been subtracted from the project. Funding will come from the sales tax fund. As of June 30, 2014, \$15,448,641 had been paid on the contract.

On April 8, 2013, the District signed a \$5,741,800 contract for the addition and remodel to Kennedy Elementary School. As of June 30, 2014, \$103,231 of change orders had been added to the project.

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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

Funding will come from the sales tax fund. As of June 30, 2014, \$5,225,102 had been paid on the contract.

At June 30, 2014, the District had approximately \$1,049,003 in commitments related to unfilled purchase orders for goods and services.

Note 11: Subsequent Events

In November 2014, the Board approved issuing \$15,960,000 of School Infrastructure Sales, Services and Use Tax Revenue Bonds for the purpose of providing funds for renovations to Hempstead High School, the study and architectural drawings on a major remodel/addition project at Dubuque Senior High School, and/or other school infrastructure projects. The issuance occurred in December 2014.

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

The District implemented the following statements:

- The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* in March 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Further clarification is indicated in Note 1: Summary of Significant Accounting Policies: Assets, Liabilities, Deferred Inflows of Resources and Fund Equity: Deferred Inflows of Resources.
- The GASB issued Statement No. 66, *Technical Corrections – 2012* in March 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. This Statement had no effect on the District in the current year.
- The GASB issued Statement No. 67, *Financial Reporting for Pension Plans* in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution*

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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

Plans, and No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2013. This Statement had no effect on the District in the current year.

As of June 30, 2014, the GASB had issued statements not yet implemented by the District. The statements which might impact the District are as follows:

- The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* in June 2012. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. Statement No. 67, *Financial Reporting for Pension Plans* revised existing standards of financial reporting for most pension plans. This Statement and Statement No. 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. This Statement is effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged.
- The GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement also requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. This Statement is effective for fiscal years ended December 31, 2014. Earlier application is encouraged.
- The GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should

Dubuque Community School District

Notes to Financial Statements

June 30, 2014

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

recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees. This Statement is effective for fiscal years ended December 31, 2014. 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, 2014

	Actual Amounts			Budgeted Amounts		
	Governmental Funds	Proprietary Fund	Total	Original	Amended	Final to Actual Variance
Revenues:						
Local sources	\$ 51,736,431	\$2,423,427	\$ 54,159,858	\$ 63,215,510	\$ 63,215,510	\$(9,055,652)
State sources	74,879,014	38,865	74,917,879	63,397,547	63,397,547	11,520,332
Federal sources	6,323,012	2,628,654	8,951,666	9,162,600	9,162,600	(210,934)
Total revenues	\$132,938,457	\$5,090,946	\$138,029,403	\$135,775,657	\$135,775,657	\$ 2,253,746
Expenditures:						
Instruction	\$ 83,822,176	\$ 0	\$ 83,822,176	\$ 82,539,000	\$ 85,039,000	\$ 1,216,824
Support services	39,993,965	0	39,993,965	40,484,200	42,184,200	2,190,235
Non-instructional programs	156,327	4,983,100	5,139,427	5,447,631	5,447,631	308,204
Other expenditures	35,795,643	0	35,795,643	35,267,502	36,267,502	471,859
Total expenditures	\$159,768,111	\$4,983,100	\$164,751,211	\$163,738,333	\$168,938,333	\$ 4,187,122
Excess (deficiency) of revenues over expenditures	\$(26,829,654)	\$ 107,846	\$(26,721,808)	\$(27,962,676)	\$ (33,162,676)	\$ 6,440,868
Other financing sources, net	13,339,947	(148,252)	13,191,695	21,545,600	21,545,600	(8,353,905)
Excess (deficiency) of revenues and other financing sources over expenditures	\$(13,489,707)	\$ (40,406)	\$(13,530,113)	\$ (6,417,076)	\$ (11,617,076)	\$(1,913,037)
Balances beginning of year	56,665,045	839,993	57,505,038	45,779,922	45,779,922	11,725,116
Balances end of year	\$ 43,175,338	\$ 799,587	\$ 43,974,925	\$ 39,362,846	\$ 34,162,846	\$ 9,812,079

See accompanying independent auditor's report.

Dubuque Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year Ended June 30, 2014

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 \$5,200,000.

Dubuque Community School District
Schedule of Funding Progress for the Retiree Health Benefit Plan
Required Supplementary Information
June 30, 2014

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]
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%

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

See accompanying independent auditor's report.

Other Supplementary Information

Dubuque Community School District

Governmental Funds

Special Revenue Funds

June 30, 2014

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Student Activity Fund	Accounts for funds raised by student groups. Under state law the Board retains responsibility for the Student Activity Fund's ultimate disposition.
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Management Fund	Accounts for resources accumulated and payments made for property insurance, fidelity bonds, worker compensation, liability premiums, unemployment insurance claims and early retirement incentives.
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Dubuque Community School District

Combining Balance Sheet

Special Revenue Funds

June 30, 2014

	Special Revenue		
	Management Levy	Student Activity	Total
Assets			
Cash	\$ 8,610,849	\$822,231	\$ 9,433,080
Receivables:			
Property tax:			
Delinquent	55,318	0	55,318
Succeeding year	4,750,000	0	4,750,000
Total assets	\$13,416,167	\$822,231	\$14,238,398
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 13,433	\$ 21,074	\$ 34,507
Early retirement payable	237,469	0	237,469
Total liabilities	\$ 250,902	\$ 21,074	\$ 271,976
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	\$ 4,750,000	\$ 0	\$ 4,750,000
Other	11,118	0	11,118
Total deferred inflows of resources	\$ 4,761,118	\$ 0	\$ 4,761,118
Fund balances:			
Restricted for:			
Management levy purposes	\$ 8,404,147	\$ 0	\$ 8,404,147
Student activities	0	801,157	801,157
Total fund balances	\$ 8,404,147	\$801,157	\$ 9,205,304
Total liabilities, deferred inflows of resources and fund balances	\$13,416,167	\$822,231	\$14,238,398

See accompanying independent auditor's report.

Dubuque Community School District

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

Special Revenue Funds

Year Ended June 30, 2014

	Special Revenue		
	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	\$6,001,058	\$ 0	\$6,001,058
Other	137,988	1,651,126	1,789,114
State sources	3,382	0	3,382
Total revenues	\$6,142,428	\$1,651,126	\$7,793,554
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$ 467,737	\$ 0	\$ 467,737
Special instruction	156,334	0	156,334
Other instruction	4,745	1,482,967	1,487,712
Support services:			
Student services	57,143	0	57,143
Instructional staff services	79,940	0	79,940
Administration services	201,811	615	202,426
Operation and maintenance of plant services	636,840	0	636,840
Transportation services	159,067	25,711	184,778
Non-instructional programs	112,482	0	112,482
Total expenditures	\$1,876,099	\$1,509,293	\$3,385,392
Excess (deficiency) of revenues over (under) expenditures	\$4,266,329	\$ 141,833	\$4,408,162
Other financing sources:			
Operating transfers out	\$ 0	\$ (53,526)	\$ (53,526)
Net change in fund balances	\$4,266,329	\$ 88,307	\$4,354,636
Fund balances beginning of year	4,137,818	712,850	4,850,668
Fund balances end of year	\$8,404,147	\$ 801,157	\$9,205,304

See accompanying independent auditor's report.

Dubuque Community School District

Capital Project Accounts

Capital Projects Fund

Year Ended June 30, 2014

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, 2014

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$6,608,841	\$3,371,083	\$ 9,979,924
Receivables:			
Property tax:			
Delinquent	0	30,318	30,318
Succeeding year	0	3,569,718	3,569,718
Due from other governments	1,464,382	0	1,464,382
Total assets	\$8,073,223	\$6,971,119	\$15,044,342
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$2,301,937	\$ 351,993	\$ 2,653,930
Total liabilities	\$2,301,937	\$ 351,993	\$ 2,653,930
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	\$ 0	\$3,569,718	\$ 3,569,718
Other	0	6,098	6,098
Total deferred inflows of resources	\$ 0	\$3,575,816	\$ 3,575,816
Fund balances:			
Restricted for:			
School infrastructure	\$5,771,286	\$ 0	\$ 5,771,286
Physical plant and equipment levy	0	3,043,310	3,043,310
Total fund balances	\$5,771,286	\$3,043,310	\$ 8,814,596
Total liabilities, deferred inflows of resources and fund balances	\$8,073,223	\$6,971,119	\$15,044,342

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, 2014

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ 0	\$3,399,452	\$ 3,399,452
Other	61,021	6,647	67,668
State sources	8,974,360	1,713	8,976,073
Federal sources	0	0	0
Total revenues	\$ 9,035,381	\$3,407,812	\$ 12,443,193
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$ 2,174,569	\$ 72,350	\$ 2,246,919
Other instruction	0	8,253	8,253
	\$ 2,174,569	\$ 80,603	\$ 2,255,172
Support services:			
Student services	\$ 163,734	\$ 0	\$ 163,734
Administration services	1,215,419	135,372	1,350,791
Transportation services	13,632	1,635,802	1,649,434
	\$ 1,392,785	\$1,771,174	\$ 3,163,959
Non-instructional programs	\$ 0	\$ 43,845	\$ 43,845
Facilities acquisition	\$ 24,227,373	\$1,523,609	\$ 25,750,982
Debt service:			
Principal	\$ 0	\$ 0	\$ 0
Interest and other charges	116,998	0	116,998
	\$ 24,344,371	\$1,523,609	\$ 25,867,980
Total expenditures	\$ 27,911,725	\$3,419,231	\$ 31,330,956
Excess (deficiency) of revenues over (under) expenditures	\$(18,876,344)	\$ (11,419)	\$(18,887,763)
Other financing sources:			
Revenue bonds issued	\$ 13,033,000	\$ 0	\$ 13,033,000
Transfers in	1,175,000	0	1,175,000
Transfers out	(2,532,078)	0	(2,532,078)
Net change in fund balances	\$ (7,200,422)	\$ (11,419)	\$ (7,211,841)
Fund balances beginning of year	12,971,708	3,054,729	16,026,437
Fund balances end of year	\$ 5,771,286	\$3,043,310	\$ 8,814,596

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2014

	Balance June 30, 2013	Revenues	Expenditures	Balance June 30, 2014
Senior High Schools:				
Alternative Learning Center	\$ 1,171	\$ 2,599	\$ 2,628	\$ 1,142
Stephen Hempstead	210,412	445,555	401,362	254,605
Dubuque Senior	260,247	560,106	524,128	296,225
Total Senior High Schools	<u>\$471,830</u>	<u>\$1,008,260</u>	<u>\$ 928,118</u>	<u>\$551,972</u>
Middle Schools:				
Jefferson	\$ 82,154	\$ 28,231	\$ 28,943	\$ 81,442
Washington	36,764	54,722	52,758	38,728
Roosevelt	92,826	75,527	70,362	97,991
Total Middle Schools	<u>\$211,744</u>	<u>\$ 158,480</u>	<u>\$ 152,063</u>	<u>\$218,161</u>
Elementary Schools:				
Audubon	\$ 6,973	\$ 754	\$ 734	\$ 6,993
Bryant	1,007	3,960	3,833	1,134
Eisenhower	530	476	0	1,006
Carver	1,000	524	0	1,524
Fulton	500	8,598	5,504	3,594
Hoover	3,029	8,433	7,438	4,024
Irving	2,156	9,516	8,747	2,925
Kennedy	1,867	413	710	1,570
Lincoln	1,044	1,282	1,592	734
Marshall	2,063	6,371	5,675	2,759
Prescott	1,347	886	610	1,623
Sageville	463	394	0	857
Table Mound	3,811	304	0	4,115
Jones Hand-in-Hand Preschool	352	0	0	352
Total Elementary Schools	<u>\$ 26,142</u>	<u>\$ 41,911</u>	<u>\$ 34,843</u>	<u>\$ 33,210</u>
Athletic reserve	\$ (1,539)	\$ 428,446	\$ 440,861	\$ (13,954)
District instrumental music	4,673	10,761	3,666	11,768
	<u>\$ 3,134</u>	<u>\$ 439,207</u>	<u>\$ 444,527</u>	<u>\$ (2,186)</u>
Grand Total	<u><u>\$712,850</u></u>	<u><u>\$1,647,858</u></u>	<u><u>\$1,559,551</u></u>	<u><u>\$801,157</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, 2014

	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	\$ 4,480	\$ 2,410	\$ 0	\$ 6,890
Interest on investments	<u>36</u>	<u>241</u>	<u>69</u>	<u>1</u>	<u>347</u>
Total revenues	<u>\$ 36</u>	<u>\$ 4,721</u>	<u>\$ 2,479</u>	<u>\$ 1</u>	<u>\$ 7,237</u>
Deductions:					
Instruction:					
Regular instruction:					
Other	<u>\$ 0</u>	<u>\$ 7,221</u>	<u>\$ 4,540</u>	<u>\$ 0</u>	<u>\$ 11,761</u>
Change in net position	\$ 36	\$ (2,500)	\$ (2,061)	\$ 1	\$ (4,524)
Net position beginning of year	<u>\$15,658</u>	<u>\$102,615</u>	<u>\$31,684</u>	<u>\$642</u>	<u>\$150,599</u>
Net position end of year	<u>\$15,694</u>	<u>\$100,115</u>	<u>\$29,623</u>	<u>\$643</u>	<u>\$146,075</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, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash	\$37,622	\$26,314	\$32,521	\$31,415
Total assets	<u>\$37,622</u>	<u>\$26,314</u>	<u>\$32,521</u>	<u>\$31,415</u>
Liabilities				
Other payables	<u>\$37,622</u>	<u>\$26,314</u>	<u>\$32,521</u>	<u>\$31,415</u>
Total liabilities	<u>\$37,622</u>	<u>\$26,314</u>	<u>\$32,521</u>	<u>\$31,415</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			
	2014	2013	2012	2011
Revenues:				
Local sources:				
Local tax	\$ 45,256,554	\$ 57,952,211	\$ 59,573,803	\$ 56,970,220
Tuition	2,076,227	2,364,636	2,264,001	2,146,825
Other	4,403,650	4,149,932	3,237,573	3,523,606
State sources	74,879,014	62,706,583	62,040,783	60,409,551
Federal sources	6,323,012	6,852,735	7,729,416	9,393,044
Total	<u>\$132,938,457</u>	<u>\$134,026,097</u>	<u>\$134,845,576</u>	<u>\$132,443,246</u>
Expenditures:				
Instruction:				
Regular instruction	\$ 45,838,993	\$ 41,180,652	\$ 40,768,416	\$ 39,582,892
Special instruction	24,813,653	23,533,298	22,492,388	21,727,446
Other instruction	13,169,530	13,080,400	12,840,284	12,144,120
Support services:				
Student services	6,305,561	5,492,706	5,252,695	5,034,660
Instructional staff services	5,750,601	4,602,493	3,984,983	3,566,495
Administration services	12,725,816	12,389,626	12,341,464	12,875,379
Operation and maintenance of plant services	9,599,256	9,057,962	8,702,928	8,406,122
Transportation services	5,612,731	4,277,877	4,120,582	4,003,962
Non-instructional programs	156,327	364,825	135,718	155,648
Other expenditures:				
Facilities acquisition	25,750,982	14,520,178	4,919,944	1,471,553
Debt service:				
Principal	4,850,000	7,600,000	7,200,000	8,710,000
Interest and fiscal charges	471,005	507,785	556,069	524,654
AEA flowthrough	4,723,656	4,515,012	4,496,822	4,922,517
TIF property tax payment to City and other property taxes	0	0	0	0
City street assessments	0	0	0	0
Total	<u>\$159,768,111</u>	<u>\$141,122,814</u>	<u>\$127,812,293</u>	<u>\$123,125,448</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					
2010	2009	2008	2007	2006	2005
\$ 55,448,603	\$ 53,527,722	\$ 49,698,676	\$ 47,166,139	\$ 43,695,073	\$ 40,863,268
2,229,601	2,054,271	1,974,497	1,970,036	1,591,829	1,522,456
3,716,733	3,845,347	4,531,034	4,342,335	4,853,070	3,776,111
52,410,026	60,032,976	57,095,921	51,611,486	47,796,591	44,019,322
12,657,914	6,694,658	4,296,825	3,460,383	3,630,635	3,035,986
\$126,462,877	\$126,154,974	\$117,596,953	\$108,550,379	\$101,567,198	\$ 93,217,143
\$ 40,345,167	\$ 41,870,736	\$ 39,315,976	\$ 36,383,897	\$ 34,064,192	\$ 31,370,284
22,461,743	22,934,962	19,711,873	17,799,574	16,289,430	14,828,336
11,483,872	8,923,625	9,841,978	9,059,837	8,659,689	8,018,424
5,053,316	5,093,057	4,893,096	4,422,022	4,285,632	3,944,056
3,422,804	3,552,175	3,755,466	3,615,550	4,135,111	3,960,303
10,602,780	10,349,190	10,428,962	10,120,152	9,499,497	8,165,361
8,554,178	8,958,199	9,118,255	8,564,905	8,312,753	6,382,867
3,465,091	3,019,418	3,145,333	3,729,525	3,364,702	3,108,408
306,817	93,675	143,549	133,012	166,235	183,046
3,547,438	3,718,729	6,024,792	18,839,199	21,353,125	29,054,751
33,299,833	7,466,208	4,496,208	1,036,209	101,208	7,000,000
1,323,733	1,482,355	1,675,126	1,542,704	1,236,956	491,732
4,802,377	4,321,171	4,106,863	3,803,870	3,532,385	3,307,910
0	229	25,690	26,248	26,248	0
0	0	0	79,548	0	0
\$148,669,149	\$121,783,729	\$116,683,167	\$119,156,252	\$115,027,163	\$119,815,478

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			
	2014	2013	2012	2011
Governmental activities:				
Invested in capital assets, net of related debt	\$ 93,556,198	\$ 80,199,696	\$ 72,432,082	\$ 72,646,181
Restricted	22,585,523	29,345,373	25,752,325	18,245,575
Unrestricted	13,235,693	20,945,199	22,014,328	13,348,662
Total governmental activities net position	\$129,377,414	\$130,490,268	\$120,198,735	\$104,240,418
Business-type activities:				
Invested in capital assets, net of related debt	\$ 226,852	\$ 294,532	\$ 280,661	\$ 311,734
Restricted	0	0	0	0
Unrestricted	572,735	545,461	851,251	934,055
Total business-type activities net position	\$ 799,587	\$ 839,993	\$ 1,131,912	\$ 1,245,789
Primary government:				
Invested in capital assets, net of related debt	\$ 93,783,050	\$ 80,494,228	\$ 72,712,743	\$ 72,957,915
Restricted	22,585,523	29,345,373	25,752,325	18,245,575
Unrestricted	13,808,428	21,490,660	22,865,579	14,282,717
Total primary government net position	\$130,177,001	\$131,330,261	\$121,330,647	\$105,486,207

Source: District Financial Records

Table 1

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

2010	2009	2008	2007	2006	2005
\$64,429,213	\$59,780,783	\$53,355,696	\$43,446,260	\$41,984,932	\$29,300,136
17,404,114	9,206,811	8,920,643	6,559,669	5,713,421	2,201,244
5,121,609	7,757,840	4,416,579	5,627,070	8,371,837	15,351,153
<u>\$86,954,936</u>	<u>\$76,745,434</u>	<u>\$66,692,918</u>	<u>\$55,632,999</u>	<u>\$56,070,190</u>	<u>\$46,852,533</u>
\$ 399,217	\$ 442,195	\$ 483,616	\$ 537,950	\$ 518,906	\$ 477,625
0	0	0	0	0	0
861,361	808,733	882,625	877,323	714,858	707,623
<u>\$ 1,260,578</u>	<u>\$ 1,250,928</u>	<u>\$ 1,366,241</u>	<u>\$ 1,415,273</u>	<u>\$ 1,233,764</u>	<u>\$ 1,185,248</u>
\$64,828,430	\$60,222,978	\$53,839,312	\$43,984,210	\$42,503,838	\$29,777,761
17,404,114	9,206,811	8,920,643	6,559,669	5,713,421	2,201,244
5,982,970	8,566,573	5,299,204	6,504,393	9,086,695	16,058,776
<u>\$88,215,514</u>	<u>\$77,996,362</u>	<u>\$68,059,159</u>	<u>\$57,048,272</u>	<u>\$57,303,954</u>	<u>\$48,037,781</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			
	2014	2013	2012	2011
Expenses:				
Governmental activities:				
Instruction	\$ 83,984,002	\$ 77,755,484	\$ 76,200,554	\$ 73,398,582
Student services	6,306,779	5,505,944	5,262,498	4,916,281
Instructional staff services	5,750,601	4,602,597	3,988,500	3,582,091
Administration services	13,236,921	12,281,517	11,285,684	12,704,945
Operation and maintenance of plant services	9,684,699	9,102,217	8,800,056	8,123,156
Transportation services	4,981,110	4,420,179	4,040,587	3,511,033
Non-instructional programs	159,179	364,825	134,228	157,526
AEA flowthrough	4,723,656	4,515,012	4,496,822	4,922,517
TIF property tax payment and street assessments to City	0	0	0	0
Interest on long-term debt	406,017	344,756	317,750	487,800
Bond costs	116,998	166,710	143,819	1,000
Other post-employment benefits	911,203	777,152	1,432,116	1,380,724
Depreciation (unallocated)	3,938,398	4,243,202	3,110,181	2,259,167
Total governmental activities expenses	\$134,199,563	\$124,079,595	\$119,212,795	\$115,444,822
Business-type activities:				
Nutrition services	\$ 4,983,100	\$ 5,014,578	\$ 4,829,167	\$ 4,609,057
Total business-type activities expenses	\$ 4,983,100	\$ 5,014,578	\$ 4,829,167	\$ 4,609,057
Total primary government expenses	\$139,182,663	\$129,094,173	\$124,041,962	\$120,053,879

(Continued on the following page.)

Table 2

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

2010	2009	2008	2007	2006	2005
\$ 74,580,509	\$ 74,524,139	\$ 67,010,362	\$ 68,921,618	\$57,066,744	\$53,686,035
5,064,842	5,147,311	4,766,058	4,813,824	4,149,153	3,908,916
3,442,464	3,607,500	3,677,598	3,873,716	3,987,756	3,955,118
10,704,315	10,590,758	10,125,713	10,955,010	9,174,908	8,137,338
8,658,932	9,011,009	8,835,601	8,967,625	7,960,412	6,417,589
3,521,943	3,501,716	3,683,632	3,738,099	3,259,502	3,120,256
309,415	96,998	142,067	138,771	161,802	177,698
4,802,377	4,321,171	4,106,863	3,803,870	3,532,385	3,307,910
0	229	25,690	105,796	26,248	0
1,271,952	1,482,355	1,675,126	1,542,704	1,120,477	608,211
316,635	0	0	23,615	128,710	279,056
1,044,119	1,090,424	0	0	0	0
3,230,537	3,090,034	2,745,092	2,227,645	1,875,361	1,839,243
\$116,948,040	\$116,463,644	\$106,793,802	\$109,112,293	\$92,443,458	\$85,437,370
\$ 4,562,590	\$ 4,336,522	\$ 4,159,239	\$ 3,949,212	\$ 3,957,058	\$ 3,720,132
\$ 4,562,590	\$ 4,336,522	\$ 4,159,239	\$ 3,949,212	\$ 3,957,058	\$ 3,720,132
\$121,510,630	\$120,800,166	\$110,953,041	\$113,061,505	\$96,400,516	\$89,157,502

Table 2

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 4,465,125	\$ 4,900,867	\$ 4,441,216	\$ 4,481,908
Support services	50,924	38,310	39,417	35,099
Operating grants and contributions	19,919,287	19,679,045	20,298,874	22,162,557
Capital grants and contributions	0	0	0	61,864
Total governmental activities program revenues	\$ 24,435,336	\$ 24,618,222	\$ 24,779,507	\$ 26,741,428
Business-type activities:				
Charges for services:				
Nutrition services	\$ 2,421,620	\$ 2,403,562	\$ 2,471,310	\$ 2,505,477
Operating grants and contributions	2,667,519	2,590,171	2,517,574	2,362,623
Total business-type program revenues	\$ 5,089,139	\$ 4,993,733	\$ 4,988,884	\$ 4,868,100
Total primary government program revenues	\$ 29,524,475	\$ 29,611,955	\$ 29,768,391	\$ 31,609,528
Net (expense) revenue:				
Governmental activities	\$(109,764,227)	\$(99,461,373)	\$(94,433,288)	\$(88,703,394)
Business-type activities	106,039	(20,845)	159,717	259,043
Total primary government net expense	\$(109,658,188)	\$(99,482,218)	\$(94,273,571)	\$(88,444,351)

Source: District Financial Records

Table 2

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

2010	2009	2008	2007	2006	2005
\$ 4,343,293	\$ 4,139,082	\$ 4,181,758	\$ 4,234,503	\$ 3,897,690	\$ 3,737,360
34,133	29,432	26,076	27,342	28,613	34,366
25,152,465	21,261,442	15,582,180	12,145,764	11,319,335	9,686,214
88,137	0	5,850	50,750	325,600	358,598
\$ 29,618,028	\$ 25,429,956	\$ 19,795,864	\$ 16,458,359	\$ 15,571,238	\$ 13,816,538
\$ 2,520,337	\$ 2,484,568	\$ 2,369,246	\$ 2,425,845	\$ 2,404,627	\$ 2,036,599
2,365,458	1,992,219	1,823,216	1,793,501	1,675,198	1,605,625
\$ 4,885,795	\$ 4,476,787	\$ 4,192,462	\$ 4,219,346	\$ 4,079,825	\$ 3,642,224
\$ 34,503,823	\$ 29,906,743	\$ 23,988,326	\$ 20,677,705	\$ 19,651,063	\$ 17,458,762
\$(87,330,012)	\$(91,033,688)	\$(86,997,938)	\$(92,653,934)	\$(76,872,220)	\$(71,620,832)
323,205	140,265	33,223	270,134	122,767	(77,908)
\$(87,006,807)	\$(90,893,423)	\$(86,964,715)	\$(92,383,800)	\$(76,749,453)	\$(71,698,740)

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			
	2014	2013	2012	2011
Net (expenses) revenue:				
Governmental activities	\$(109,764,227)	\$(99,461,373)	\$(94,430,288)	\$(88,703,394)
Business-type activities	106,039	(20,845)	159,717	259,043
Total primary government net expense	\$(109,658,188)	\$(99,482,218)	\$(94,270,571)	\$(88,444,351)
General revenues and other changes in net position:				
Governmental activities:				
Property tax levied for general purposes	\$ 41,857,102	\$ 42,464,403	\$ 45,002,685	\$ 43,385,106
Property tax levied for capital outlay	3,399,452	3,297,757	3,135,590	3,006,514
Local option sales tax	8,974,360	12,190,050	11,435,526	10,578,600
Unrestricted state grants	52,932,505	50,568,860	49,804,874	47,873,056
Investment earnings	139,790	369,289	455,973	539,547
Miscellaneous	1,199,912	595,896	281,764	318,999
Transfers	148,252	266,651	275,196	287,054
Total governmental activities	\$ 108,651,373	\$ 109,752,906	\$ 110,391,608	\$ 105,988,876
Business-type activities:				
Investment earnings	\$ 1,807	\$ 2,582	\$ 6,034	\$ 13,222
Transfers	(148,252)	(273,656)	(279,628)	(287,054)
Total business-type activities	\$ (146,445)	\$ (271,074)	\$ (273,594)	\$ (273,832)
Change in net position:				
Governmental activities	\$ (1,112,854)	\$ 10,291,533	\$ 15,958,320	\$ 17,285,482
Business-type activities	(40,406)	(291,919)	(113,877)	(14,789)
Total primary government	\$ (1,153,260)	\$ 9,999,614	\$ 15,844,443	\$ 17,270,693

Source: District Financial Records

Table 3

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

2010	2009	2008	2007	2006	2005
\$(87,330,012)	\$(91,033,688)	\$(86,997,938)	\$(92,653,934)	\$(76,872,220)	\$(71,620,832)
323,205	140,265	33,223	270,134	122,767	(77,908)
\$(87,006,807)	\$(90,893,423)	\$(86,964,715)	\$(92,383,800)	\$(76,749,453)	\$(71,698,740)
\$ 42,170,729	\$ 40,684,264	\$ 36,598,441	\$ 34,446,462	\$ 31,504,694	\$ 28,605,783
2,857,384	2,737,058	2,532,490	2,470,364	2,374,392	2,286,154
10,420,491	10,106,400	10,567,745	10,249,312	9,815,987	9,971,691
40,152,782	46,053,267	46,501,356	43,373,049	40,715,113	37,729,169
747,429	682,349	774,912	1,013,746	793,031	472,063
854,031	543,975	959,573	539,087	792,744	574,375
336,668	278,891	123,340	124,723	93,916	0
\$ 97,539,514	\$101,086,204	\$ 98,057,857	\$ 92,216,743	\$ 86,089,877	\$ 79,639,235
\$ 23,113	\$ 23,313	\$ 44,086	\$ 36,098	\$ 19,665	\$ 12,335
(336,668)	(278,891)	(126,341)	(124,723)	(93,916)	0
\$ (313,555)	\$ (255,578)	\$ (82,255)	\$ (88,625)	\$ (74,251)	\$ 12,335
\$ 10,209,502	\$ 10,052,516	\$ 11,059,919	\$ (437,191)	\$ 9,217,657	\$ 8,018,403
9,650	(115,313)	(49,032)	181,509	48,516	(65,573)
\$ 10,219,152	\$ 9,937,203	\$ 11,010,887	\$ (255,682)	\$ 9,266,173	\$ 7,952,830

Table 4

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

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
General Fund:				
Nonspendable	\$ 534,198	\$ 551,464	\$ 626,239	\$ 644,808
Restricted	1,377,816	1,463,431	1,398,368	1,894,368
Unassigned	20,055,617	26,768,208	26,932,135	16,911,942
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	\$21,967,631	\$28,783,103	\$28,956,742	\$19,451,118
All other governmental funds:				
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	21,207,707	27,881,942	24,353,957	16,354,207
Unassigned	0	0	0	0
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	\$21,207,707	\$27,881,942	\$24,353,957	\$16,354,207
Total all governmental funds	\$43,175,338	\$56,665,045	\$53,310,699	\$35,805,325

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

2010	2009	2008	2007	2006	2005
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
1,343,743	1,541,028	1,283,675	738,613	618,359	539,237
7,449,116	4,393,552	(573,069)	21,603	1,174,798	3,956,557
\$ 8,792,859	\$ 5,934,580	\$ 710,606	\$ 760,216	\$ 1,793,157	\$ 4,495,794
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
8,600,545	6,947,435	7,017,199	5,339,534	4,408,492	3,508,070
4,427,498	3,271,080	4,039,660	5,258,518	6,967,955	8,448,569
72,864	115,299	124,370	46,382	0	0
3,506,028	2,259,376	1,903,504	1,220,135	1,304,929	1,509,653
\$16,606,935	\$12,593,190	\$13,084,733	\$11,864,569	\$12,681,376	\$13,466,292
\$25,399,794	\$18,527,770	\$13,795,339	\$12,624,785	\$14,474,533	\$17,962,086

Table 5

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
Local sources:				
Local tax	\$ 45,256,554	\$ 57,952,211	\$ 59,573,803	\$ 56,970,220
Tuition	2,076,227	2,364,636	2,264,001	2,146,825
Other	4,403,650	4,149,932	3,237,573	3,523,607
Total local sources	\$ 51,736,431	\$ 64,466,779	\$ 65,075,377	\$ 62,640,652
State sources:				
State sources	\$ 74,879,014	\$ 62,706,583	\$ 62,040,783	\$ 60,409,551
Total state sources	\$ 74,879,014	\$ 62,706,583	\$ 62,040,783	\$ 60,409,551
Federal sources:				
Federal sources	\$ 6,323,012	\$ 6,852,735	\$ 7,729,416	\$ 9,393,044
Total federal sources	\$ 6,323,012	\$ 6,852,735	\$ 7,729,416	\$ 9,393,044
Total governmental funds revenue	\$132,938,457	\$134,026,097	\$134,845,576	\$132,443,247

Source: *District Financial Records*

Table 5

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

2010	2009	2008	2007	2006	2005
\$ 55,448,603	\$ 53,527,722	\$ 49,698,676	\$ 47,166,139	\$ 43,695,073	\$40,863,628
2,229,601	2,054,271	1,974,497	1,970,036	1,591,829	1,522,456
3,716,733	3,845,347	4,531,034	4,342,335	4,853,070	3,776,111
\$ 61,394,937	\$ 59,427,340	\$ 56,204,207	\$ 53,478,510	\$ 50,139,972	\$46,162,195
\$ 52,410,026	\$ 60,032,976	\$ 57,095,921	\$ 51,611,486	\$ 47,796,591	\$44,019,322
\$ 52,410,026	\$ 60,032,976	\$ 57,095,921	\$ 51,611,486	\$ 47,796,591	\$44,019,322
\$ 12,657,914	\$ 6,694,658	\$ 4,296,825	\$ 3,460,383	\$ 3,630,635	\$ 3,035,986
\$ 12,657,914	\$ 6,694,658	\$ 4,296,825	\$ 3,460,383	\$ 3,630,635	\$ 3,035,986
\$126,462,877	\$126,154,974	\$117,596,953	\$108,550,379	\$101,567,198	\$93,217,503

Table 6

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

	Fiscal Year				
	2014	2013	2012	2011	2010
Local sources					
Taxes	\$ 35,856,044	\$ 37,460,938	\$ 43,252,276	\$ 41,381,061	\$ 39,500,291
Tuition	2,076,227	2,364,636	2,264,001	2,146,825	2,229,601
Transportation	50,924	38,311	39,418	35,099	34,133
Interest	71,643	79,149	154,800	212,981	306,352
Student activities	158,018	153,964	307,725	321,686	279,663
Other local revenues	2,236,384	1,591,477	889,746	904,610	958,946
Subtotal local revenue	\$ 40,449,240	\$ 41,688,475	\$ 46,907,966	\$ 45,002,262	\$ 43,308,986
State sources					
State foundation aid	\$ 49,048,080	\$ 48,166,131	\$ 47,711,831	\$ 44,937,511	\$ 37,662,216
Instructional support	0	0	0	0	0
AEA flowthrough	4,723,656	4,515,012	4,496,822	4,922,517	4,802,377
Other state revenue	12,127,823	10,020,866	9,829,379	10,546,522	9,941,876
Subtotal state revenue	\$ 65,899,559	\$ 62,702,009	\$ 62,038,032	\$ 60,406,550	\$ 52,406,469
Federal sources					
Title I	\$ 1,597,490	\$ 1,806,912	\$ 1,613,871	\$ 1,667,226	\$ 1,685,273
Other federal revenue	4,725,522	5,045,823	6,115,545	7,663,954	10,884,504
Subtotal federal revenue	\$ 6,323,012	\$ 6,852,735	\$ 7,729,416	\$ 9,331,180	\$ 12,569,777
Other sources	\$ 360,473	\$ 470,082	\$ 498,391	\$ 611,753	\$ 406,526
Total revenue	\$113,032,284	\$111,713,301	\$117,173,805	\$115,351,745	\$108,691,758

Source: *District Financial Records*

Table 6

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

2009	2008	2007	2006	2005
\$ 38,480,604	\$ 34,543,982	\$32,342,730	\$29,605,400	\$26,909,744
2,054,271	1,974,497	1,970,036	1,591,829	1,522,456
29,432	26,076	27,342	28,613	34,366
210,070	185,034	323,806	359,018	179,315
257,654	240,278	242,785	337,557	311,667
1,176,120	1,433,500	1,036,089	1,270,377	1,199,592
\$ 42,208,151	\$ 38,403,367	\$35,942,788	\$33,192,794	\$30,157,140
\$ 45,392,552	\$ 45,809,960	\$42,708,273	\$40,133,528	\$37,225,810
174,406	182,466	183,625	185,665	180,835
4,321,171	4,106,863	3,803,870	3,532,385	3,307,910
10,141,446	6,993,167	4,912,063	3,941,314	3,300,989
\$ 60,029,575	\$ 57,092,456	\$51,607,831	\$47,792,892	\$44,015,544
\$ 1,665,591	\$ 1,630,564	\$ 1,347,870	\$ 1,187,939	\$ 1,182,778
5,029,067	2,666,262	2,112,513	2,442,696	1,853,208
\$ 6,694,658	\$ 4,296,826	\$ 3,460,383	\$ 3,630,635	\$ 3,035,986
\$ 407,252	\$ 238,586	\$ 199,506	\$ 125,987	\$ 15,182
\$109,339,636	\$100,031,235	\$91,210,508	\$84,742,308	\$77,223,852

Table 7

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

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
Instruction	\$ 83,822,176	\$ 77,794,350	\$ 76,101,088	\$ 73,454,458
Student services	6,305,561	5,492,706	5,252,695	5,034,660
Instructional staff services	5,750,601	4,602,493	3,984,983	3,566,495
Administration services	12,725,816	12,389,626	12,341,464	12,875,379
Operation and maintenance of plant services	9,599,256	9,057,962	8,702,928	8,406,122
Transportation services	5,612,731	4,277,877	4,120,582	4,003,962
Non-instructional services	156,327	364,825	135,718	155,648
Facilities acquisition	25,750,982	14,520,178	4,919,944	1,471,553
Debt service:				
Principal	4,850,000	7,600,000	7,200,000	8,710,000
Interest	354,007	341,075	412,250	523,617
AEA flowthrough	4,723,656	4,515,012	4,496,822	4,922,517
Other	116,998	166,710	143,819	1,037
Total expenditures	\$159,768,111	\$141,122,814	\$127,812,293	\$123,125,448
Debt service as a percentage of noncapital expenditures	3.88%	6.27%	6.19%	7.59%

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

2010	2009	2008	2007	2006	2005
\$ 74,290,782	\$ 73,729,323	\$ 68,869,827	\$ 63,243,308	\$ 59,013,311	\$ 54,217,044
5,053,316	5,093,057	4,893,096	4,422,022	4,285,632	3,944,056
3,422,804	3,552,175	3,755,466	3,615,550	4,135,111	3,960,303
10,602,780	10,349,190	10,428,962	10,120,152	9,499,497	8,165,361
8,554,178	8,958,199	9,118,255	8,564,905	8,312,753	6,382,867
3,465,091	3,019,418	3,145,333	3,729,525	3,364,702	3,108,408
306,817	93,675	143,549	133,012	166,235	183,046
3,547,438	3,718,729	6,024,792	18,839,199	21,353,125	29,054,751
33,299,833	7,466,208	4,496,208	1,036,209	101,208	7,000,000
1,007,098	1,482,355	1,675,126	1,542,704	1,236,956	491,732
4,802,377	4,321,171	4,106,863	3,803,870	3,532,385	3,307,910
316,635	229	25,690	105,796	26,248	0
\$148,669,149	\$121,783,729	\$116,683,167	\$119,156,252	\$115,027,163	\$119,815,478
23.6%	7.58%	5.58%	2.57%	1.43%	8.25%

Table 8

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

(modified basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
Instruction:				
Regular	\$ 43,124,337	\$ 40,706,822	\$ 39,611,990	\$ 38,569,286
Special	24,657,319	23,348,053	22,048,080	21,514,318
Other	11,673,565	10,997,304	11,261,238	10,389,358
Total Instruction	\$ 79,455,221	\$ 75,052,179	\$ 72,921,308	\$ 70,472,962
Student Support Services:				
Attendance and social work	\$ 692,378	\$ 375,815	\$ 257,588	\$ 245,310
Guidance services	3,087,135	2,781,619	2,700,544	2,588,620
Health and psychological services	1,876,211	1,911,961	1,836,573	1,854,693
Speech, pathology, & audiology	428,960	379,621	369,530	258,457
Total Student Support Services	\$ 6,084,684	\$ 5,449,016	\$ 5,164,235	\$ 4,947,080
Staff Instruction Services:				
Improvement of instruction	\$ 2,201,148	\$ 2,066,467	\$ 1,596,748	\$ 1,564,958
Library media	2,261,003	2,097,142	2,069,525	1,930,039
Instruction-related technology	1,208,510	341,021	214,859	3,713
Total Staff Instruction Services	\$ 5,670,661	\$ 4,504,630	\$ 3,881,132	\$ 3,498,710
General Administration Services:				
Board of education	\$ 118,695	\$ 92,664	\$ 183,228	\$ 123,341
Executive administration	1,482,745	1,387,549	1,177,114	1,069,273
Special area administration	192,153	180,334	173,551	311,894
Total General Administration Services	\$ 1,793,593	\$ 1,660,547	\$ 1,533,893	\$ 1,504,508
School Administration Services	\$ 6,223,048	\$ 5,864,477	\$ 5,634,449	\$ 5,416,059
Business & Central Services:				
Business administration fiscal	\$ 1,358,567	\$ 1,201,038	\$ 1,180,505	\$ 1,188,291
Printing, publishing, & duplicating	235,921	186,296	229,022	371,377
Public information	105,486	60,315	126,079	110,362
Personnel	217,727	195,659	219,393	217,204
Administrative technology	1,238,257	1,174,492	975,394	1,128,712
Total Business & Central Services	\$ 3,155,958	\$ 2,817,800	\$ 2,730,393	\$ 3,015,946
Operation and Maintenance of Plant	\$ 8,962,416	\$ 8,325,758	\$ 8,072,928	\$ 7,650,801
Student Transportation	\$ 3,778,519	\$ 3,425,265	\$ 3,171,242	\$ 3,171,723
Community Service Operations	\$ 0	\$ 265,000	\$ 54,900	\$ 91,329
Funds Transfer	\$ 0	\$ 7,256	\$ 6,877	\$ 1,851
AEA Flowthrough	\$ 4,723,656	\$ 4,515,012	\$ 4,496,822	\$ 4,922,517
Total expenditures	\$119,847,756	\$111,886,940	\$107,668,179	\$104,693,486
Percentage Increase (Decrease)	7.12%	3.92%	2.84%	(1.08%)

Source: District Financial Records

Table 8

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

2010	2009	2008	2007	2006	2005
\$ 39,316,368	\$ 40,417,644	\$ 38,358,714	\$35,059,099	\$33,274,986	\$29,148,693
22,216,791	22,579,460	19,516,753	17,742,545	16,891,696	18,062,783
9,951,775	7,303,035	8,210,378	7,396,413	6,345,494	3,115,198
\$ 71,484,934	\$ 70,300,139	\$ 66,085,845	\$60,198,057	\$56,512,176	\$50,326,674
\$ 242,555	\$ 216,417	\$ 213,433	\$ 183,463	\$ 147,791	\$ 150,878
2,506,763	2,628,026	2,583,096	2,414,892	2,374,275	2,225,657
2,003,904	1,952,039	1,802,329	1,549,048	1,494,243	1,318,042
253,437	248,044	252,735	199,376	225,371	225,793
\$ 5,006,659	\$ 5,044,526	\$ 4,851,593	\$ 4,346,779	\$ 4,241,680	\$ 3,920,370
\$ 1,312,805	\$ 1,502,253	\$ 1,743,510	\$ 1,617,242	\$ 1,280,695	\$ 2,306,189
2,026,201	1,961,782	1,936,232	1,940,853	1,886,064	1,595,313
3,381	5,285	349	3,693	494,209	0
\$ 3,342,387	\$ 3,469,320	\$ 3,680,091	\$ 3,561,788	\$ 3,660,968	\$ 3,901,502
\$ 111,715	\$ 152,068	\$ 116,152	\$ 113,031	\$ 101,427	\$ 87,987
1,110,061	1,039,931	929,460	865,829	824,070	528,747
466,575	395,637	342,743	321,244	353,238	0
\$ 1,688,351	\$ 1,587,636	\$ 1,388,355	\$ 1,300,104	\$ 1,278,735	\$ 616,734
\$ 5,507,383	\$ 5,529,464	\$ 5,600,024	\$ 5,296,832	\$ 4,894,650	\$ 4,457,028
\$ 1,110,037	\$ 1,091,848	\$ 1,187,387	\$ 1,140,121	\$ 1,058,216	\$ 751,017
297,494	306,609	415,914	432,423	401,308	399,017
107,253	107,409	151,130	125,116	130,467	7,016
201,459	188,015	189,884	179,552	174,671	266,792
1,203,563	1,159,867	1,109,396	1,177,286	1,119,177	991,319
\$ 2,919,806	\$ 2,853,748	\$ 3,053,711	\$ 3,054,498	\$ 2,883,839	\$ 2,415,161
\$ 8,018,101	\$ 8,243,558	\$ 8,322,151	\$ 7,899,172	\$ 7,496,659	\$ 6,348,564
\$ 2,811,825	\$ 2,741,183	\$ 2,897,710	\$ 2,707,252	\$ 2,842,768	\$ 2,557,825
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 247,508	\$ 15,269	\$ 88,352	\$ 74,089	\$ 101,085	\$ 180,307
\$ 4,148	\$ 9,648	\$ 6,150	\$ 1,008	\$ 0	\$ 0
\$ 4,802,377	\$ 4,321,171	\$ 4,106,863	\$ 3,803,870	\$ 3,532,385	\$ 3,307,910
\$105,833,479	\$104,115,662	\$100,080,845	\$92,243,449	\$87,444,945	\$78,032,075
1.65%	4.03%	8.50%	5.49%	12.06%	6.83%

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			
	2014	2013	2012	2011
Excess of revenues over (under) expenditures	\$(26,829,654)	\$(7,096,717)	\$ 7,033,283	\$ 9,317,799
Other financing sources (uses):				
Sales of property and equipment	\$ 158,695	\$ 106,031	\$ 146,553	\$ 800,677
Operating transfers in	3,908,856	8,469,539	9,250,938	9,234,683
Operating transfers out	(3,760,604)	(8,195,883)	(8,975,742)	(8,947,627)
Revenue bonds net proceeds	13,033,000	10,071,376	10,050,343	0
Total other financing sources (uses)	\$ 13,339,947	\$10,451,063	\$10,472,092	\$ 1,087,733
Net change in fund balance	\$(13,489,707)	\$ 3,354,346	\$17,505,375	\$10,405,532

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

2010	2009	2008	2007	2006	2005
\$(22,206,272)	\$4,371,245	\$ 913,786	\$(10,605,873)	\$(13,459,965)	\$(26,597,975)
\$ 23,631	\$ 82,295	\$ 133,428	\$ 65,016	\$ 7,206	\$ 253,452
12,321,591	8,936,054	7,776,538	3,405,251	4,878,923	7,608,211
(11,984,923)	(8,657,163)	(7,653,198)	(3,280,527)	(4,785,007)	(7,608,211)
28,717,997		0	8,566,385	9,871,290	33,209,794
\$ 29,078,296	\$ 361,186	\$ 256,768	\$ 8,756,125	\$ 9,972,412	\$ 33,463,246
\$ 6,872,024	\$4,732,431	\$ 1,170,554	\$ (1,849,748)	\$ (3,487,553)	\$ 6,865,271

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			
2012	2013-14	\$3,636,383,604	\$1,108,148,171	\$556,660,706	\$5,301,192,481	\$1,901,700,042	\$3,399,492,439	\$14.60281
2011	2012-13	\$3,584,139,640	\$1,107,954,369	\$545,384,690	\$5,237,478,699	\$1,941,516,491	\$3,295,962,208	\$15.40388
2010	2011-12	\$3,460,202,341	\$1,083,065,132	\$507,827,323	\$5,051,094,796	\$1,915,108,686	\$3,135,986,110	\$16.87685
2009	2010-11	\$3,400,988,084	\$1,066,381,565	\$466,520,254	\$4,933,889,903	\$1,931,149,023	\$3,002,740,880	\$16.88349
2008	2009-10	\$3,270,589,555	\$ 955,990,303	\$372,478,777	\$4,599,058,635	\$1,865,471,659	\$2,733,586,976	\$16.88112
2007	2008-09	\$2,853,522,831	\$ 900,890,827	\$365,894,560	\$4,120,308,218	\$1,592,339,503	\$2,527,968,715	\$16.40925
2006	2007-08	\$2,754,856,383	\$ 871,632,936	\$365,846,895	\$3,992,336,214	\$1,524,149,772	\$2,468,186,442	\$15.92538
2005	2006-07	\$2,673,314,363	\$ 767,458,864	\$354,344,941	\$3,795,118,168	\$1,418,056,181	\$2,377,061,987	\$15.09695
2004	2005-06	\$2,470,390,147	\$ 783,228,104	\$339,583,016	\$3,593,201,267	\$1,296,814,972	\$2,296,386,295	\$14.27491
2003	2004-05	\$2,230,692,140	\$ 710,753,453	\$343,572,752	\$3,285,018,345	\$1,084,415,705	\$2,200,602,640	\$13.84768

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

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

* Per \$ 1,000 of taxable value.

Table 11

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

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

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
2012	2014	\$11.62865	\$1.00000	\$1.97416	\$14.60281	\$6.43124	\$0.90455	\$0.77468	\$11.02586	\$10.29932
2011	2013	\$12.70671	\$1.00000	\$1.69717	\$15.40388	\$6.43124	\$0.98407	\$0.80305	\$10.78477	\$10.28790
2010	2012	\$15.25931	\$1.00000	\$0.61754	\$16.87685	\$6.49167	\$1.07379	\$0.68380	\$10.45111	\$10.30123
2009	2011	\$15.14980	\$1.00000	\$0.73369	\$16.88349	\$6.50193	\$1.03532	\$0.61503	\$10.02741	\$10.30237
2008	2010	\$14.87364	\$1.00000	\$1.00554	\$16.87918	\$6.40435	\$0.99471	\$0.62393	\$ 9.85777	\$10.29738
2007	2009	\$15.02092	\$1.00000	\$0.86020	\$16.88112	\$6.40844	\$0.55714	\$0.72556	\$ 9.96904	\$10.30313
2006	2008	\$14.54425	\$1.00000	\$0.86500	\$16.40925	\$6.42691	\$0.61270	\$0.78578	\$10.31690	\$10.30080
2005	2007	\$14.01385	\$1.00000	\$0.91153	\$15.92538	\$6.17924	\$0.61127	\$0.60802	\$ 9.98033	\$10.22827
2004	2006	\$13.24710	\$1.00000	\$0.84985	\$15.09695	\$6.08416	\$0.60517	\$0.60226	\$ 9.69910	\$10.29980
2003	2005	\$12.48784	\$1.00000	\$0.78707	\$14.27491	\$6.08923	\$0.59804	\$0.57269	\$10.07200	\$10.30000

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	2014 (1)			2005 (2)		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Peninsula Gaming Company LLC	\$ 56,945	1	1.60%			
Deere & Co.	35,993	2	1.01%			
Kennedy Mall	35,410	3	0.99%	\$ 23,834	1	0.93%
Progressive Processing LLC	25,065	4	0.70%			
Medical Associates Realty	20,945	5	0.59%	17,880	2	0.69%
Nordstrom, Inc.	15,559	6	0.44%	16,723	4	0.65%
Walter Development	14,868	7	0.42%			
McGraw Hill	14,487	8	0.40%			
Century Link	14,219	9	0.41%			
Platinum Holdings	14,062	10	0.39%	10,162	6	0.39%
Otto A LLC				17,500	3	0.68%
American Trust & Savings Bank				10,531	5	0.41%
Lexington Dubuque				9,815	7	0.38%
Asbury Dubuque				9,095	8	0.35%
Minglewood Limited Partnership				9,043	9	0.35%
US West Communications				8,783	10	0.34%
Total	<u>\$247,553</u>		<u>6.95%</u>	<u>\$133,366</u>		<u>5.17%</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
2013-2014	2012	\$45,250,137	\$45,235,328	99.97%	\$21,226	\$45,256,554	100.01%
2012-2013	2011	\$45,730,866	\$45,741,269 *	100.02%	\$20,891	\$45,762,160	100.07%
2011-2012	2010	\$48,128,348	\$48,116,040	99.97%	\$22,237	\$48,138,277	100.02%
2010-2011	2009	\$46,298,936	\$46,256,166	99.91%	\$31,049	\$46,287,215	99.97%
2009-2010	2008	\$45,105,254	\$44,925,064	99.60%	\$ 1,136	\$44,926,200	99.60%
2008-2009	2007	\$43,350,451	\$43,301,067	99.89%	\$16,821	\$43,317,888	99.92%
2007-2008	2006	\$39,047,138	\$39,015,256	99.92%	\$13,800	\$39,029,056	99.95%
2006-2007	2005	\$36,853,657	\$36,798,981	99.85%	\$15,095	\$36,814,076	99.89%
2005-2006	2004	\$33,893,459	\$33,763,573	99.62%	\$13,287	\$33,776,860	99.66%
2004-2005	2003	\$30,969,167	\$30,753,842	99.30%	\$36,461	\$30,790,303	99.42%

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					
2014	\$ 0	\$ 0	\$ 0	\$33,033,000	\$ 0	\$33,033,000	0.8604%	\$347	
2013	\$ 0	\$ 0	\$ 0	\$24,850,000	\$ 0	\$24,850,000	0.6752%	\$263	
2012	\$ 0	\$ 0	\$ 0	\$22,450,000	\$ 0	\$22,450,000	0.6507%	\$239	
2011	\$ 0	\$ 0	\$ 0	\$19,650,000	\$ 0	\$19,650,000	0.5925%	\$211	
2010	\$ 0	\$ 0	\$ 0	\$28,360,000	\$ 0	\$28,360,000	0.8684%	\$306	
2009	\$5,000,000	\$ 0	\$ 0	\$33,299,833	\$ 0	\$38,299,833	1.2385%	\$414	
2008	\$5,000,000	\$ 0	\$ 0	\$40,766,042	\$ 0	\$45,766,042	1.5653%	\$500	
2007	\$1,185,000	\$ 0	\$ 0	\$45,262,250	\$ 0	\$46,447,250	1.6750%	\$510	
2006	\$ 0	\$ 0	\$ 0	\$37,708,458	\$ 0	\$37,708,458	1.4202%	\$416	
2005	\$ 0	\$ 0	\$ 0	\$27,809,667	\$ 0	\$27,809,667	1.1160%	\$308	

Source: *District Financial Records*

Details of the District's outstanding debt can be found in Note 7 in the Notes to the Financial Statements.

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

Table 15

Dubuque Community School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
City of Asbury	\$ 10,462,662	100.00%	\$ 10,462,662
City of Dubuque	210,622,035	100.00%	210,622,035
Dubuque County	1,237,475	77.49%	958,919
Northeast Iowa Community College	56,885,000	77.57%	<u>44,125,695</u>
Subtotal, overlapping debt			\$266,169,311
District direct debt			<u>33,033,000</u>
Total direct and overlapping debt			<u>\$299,202,311</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			
	2014	2013	2012	2011
Debt Limit	\$169,974,622	\$164,798,110	\$156,799,306	\$150,137,044
Gross debt applicable to limit	\$ 33,033,000	\$ 24,850,000	\$ 22,450,000	\$ 19,650,000
Reserves for payments on debt	(3,187,807)	(7,004,837)	(6,911,747)	(5,704,327)
Total net debt applicable to limit	\$ 29,845,193	\$ 17,845,163	\$ 15,538,253	\$ 13,945,673
Legal debt margin	\$140,129,429	\$146,952,947	\$141,261,053	\$136,191,371
Total net debt applicable to the limit as a percentage of debt limit	17.6%	10.8%	9.9%	9.3%

Sources: District Financial Records and Dubuque County Auditor

Notes:

(a) Actual taxable value includes Tax Increment Financing

(b) Code of Iowa Section 296.1

Legal Debt Margin Calculation for Fiscal Year 2014

Actual taxable value (a)	\$3,399,492,439
Debt limit (5% of assessed value) (b)	169,974,622
Debt applicable to limit	(29,845,193)
Legal debt margin	<u>\$ 140,129,429</u>

Table 16

Dubuque Community School District
Legal Debt Margin Information
Last Ten Years

2010	2009	2008	2007	2006	2005
\$143,129,676	\$136,679,349	\$126,398,436	\$123,409,322	\$118,853,099	\$114,819,315
\$ 28,360,000	\$ 33,299,833	\$ 40,766,042	\$ 45,262,250	\$ 37,708,458	\$ 27,809,667
(7,875,854)	(6,209,000)	(6,209,000)	(4,559,000)	(3,700,000)	(2,700,000)
\$ 20,484,146	\$ 27,090,833	\$ 34,557,042	\$ 40,703,250	\$ 34,008,458	\$ 25,109,667
\$122,645,530	\$109,588,516	\$ 91,841,394	\$ 82,706,072	\$ 84,844,641	\$ 89,709,648
14.3%	19.8%	27.3%	33.0%	28.6%	21.9%

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
2005	\$ 9,971,691	\$ 0	\$ 461,880	21.59						
2006	\$ 9,815,987	\$ 101,208	\$ 1,236,956	7.34						
2007	\$ 10,249,312	\$ 1,036,208	\$ 1,542,704	3.97						
2008	\$ 10,567,745	\$ 4,496,208	\$ 1,675,126	1.71						
2009	\$ 10,106,400	\$ 7,466,208	\$ 1,479,355	1.13						
2010	\$ 10,420,491	\$ 3,206,208	\$ 1,007,098	2.47						
2011	\$ 10,578,600	\$ 8,710,000	\$ 523,617	1.21						
2012	\$ 11,435,526	\$ 7,200,000	\$ 412,250	1.59						
2013	\$ 12,190,050	\$ 7,600,000	\$ 341,075	1.60						
2014	\$ 8,974,360	\$ 4,850,000	\$ 354,007	1.85						
2015					\$ 9,606,488	\$ 2,267,747	4.00	\$ 9,606,488	\$ 2,267,747	4.00
2016					\$ 9,740,559	\$ 2,708,997	3.60	\$ 9,894,564	\$ 2,708,997	3.65
2017					\$ 9,724,166	\$ 2,690,885	3.61	\$ 10,075,746	\$ 2,690,885	3.74
2018					\$ 9,724,166	\$ 3,676,547	2.64	\$ 10,277,261	\$ 3,676,547	2.80
2019					\$ 9,724,166	\$ 3,625,846	2.68	\$ 10,482,806	\$ 3,625,846	2.89
2020					\$ 9,724,166	\$ 3,478,738	2.80	\$ 10,692,462	\$ 3,478,738	3.07
2021					\$ 9,724,166	\$ 3,441,103	2.83	\$ 10,906,311	\$ 3,441,103	3.17
2022					\$ 9,724,166	\$ 3,405,138	2.86	\$ 11,124,437	\$ 3,405,138	3.27
2023					\$ 9,724,166	\$ 2,435,950	3.99	\$ 11,346,926	\$ 2,435,950	4.66
2024					\$ 9,724,166	\$ 2,025,005	4.80	\$ 11,573,865	\$ 2,025,005	5.72
2025					\$ 9,724,166	\$ 1,991,488	4.88	\$ 11,805,342	\$ 1,991,488	5.93
2026					\$ 9,724,166	\$ 1,956,328	4.97	\$ 12,041,449	\$ 1,956,328	6.16
2027					\$ 9,724,166	\$ 1,919,465	5.07	\$ 12,282,278	\$ 1,919,465	6.40
2028					\$ 9,724,166	\$ 1,886,185	5.16	\$ 12,527,923	\$ 1,886,185	6.64
2029					\$ 9,724,166	\$ 431,300	22.55	\$ 12,778,482	\$ 431,300	29.63
2030					\$ 5,875,017	\$ 304,500	19.29	\$ 7,853,577	\$ 304,500	25.79

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)
2014	95,097	\$3,839,185,000	\$40,371	N/A	10,578.6
2013	94,648	\$3,680,443,000	\$38,886	4.5%	10,513.3
2012	93,888	\$3,450,110,000	\$36,747	4.8%	10,469.8
2011	93,072	\$3,316,659,000	\$35,635	5.5%	10,517.4
2010	92,589	\$3,265,881,000	\$35,273	6.0%	10,697.2
2009	92,296	\$3,092,423,000	\$33,505	6.1%	10,614.2
2008	91,486	\$2,923,799,000	\$31,959	4.3%	10,727.6
2007	91,032	\$2,773,002,000	\$30,462	4.0%	10,733.6
2006	90,681	\$2,655,174,000	\$29,280	3.8%	10,547.4
2005	90,154	\$2,491,982,000	\$27,641	4.4%	10,423.5

Sources:

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

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

Table 19

Dubuque Community School District
Principal Employers
Current Year and Year 2006

(Unaudited)

Taxpayer	2014 (1)			2006 (2)		
	# of Employees	Rank	Percentage of Total Employment	# of Employees	Rank	Percentage of Total Employment
John Deere	2,400	1	4.52%	1,900	1	3.35%
Dubuque Community Schools	1,946	2	3.66%	1,410	2	2.49%
Mercy Medical Center	1,313	3	2.47%	1,324	3	2.33%
IBM, Corp.	1,300	4	2.45%			
Medical Associates Clinic, P.C.	1,011	5	1.90%	998	5	1.76%
Unity Point Health - Finley Hospital	859	6	1.62%	920	7	1.62%
City of Dubuque	698	7	1.31%	716	10	1.26%
Eagle Window & Door	550	8	1.04%	950	6	1.68%
Sedgwick	550	8	1.04%			
Diamond Jo Casino	510	10	0.96%			
McCoy Group (3)				1,200	4	2.12%
Heartland Financial				760	8	1.34%
Flexsteel				750	9	1.32%
Total	<u>11,137</u>		<u>20.97%</u>	<u>10,928</u>		<u>19.27%</u>

Sources:

(1) *Greater Dubuque Development Corp.*

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

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

Table 20

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

(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
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	18.50
Assistant principals	13.00	13.00	13.00	12.00
All other administrators	9.00	9.00	6.00	7.50
Total supervisory	42.00	42.00	39.00	40.00
Instruction:				
Teachers - regular program	629.95	623.14	604.40	590.53
Teachers - special education program	173.83	163.11	153.00	159.77
Paraeducators - regular program	78.26	84.34	82.23	75.57
Paraeducators - special education program	258.81	250.77	259.71	244.01
Total instruction	1,140.85	1,121.36	1,099.34	1,069.88
Student services:				
Guidance counselors	31.00	30.00	30.00	31.00
Nurses	16.60	17.20	16.20	18.20
Media specialists	24.50	24.00	18.50	19.90
Other student services staff	20.00	14.00	12.00	9.00
Total student services	92.10	85.20	76.70	78.10
Support and administration:				
Clerical/secretarial	77.75	76.75	77.75	79.00
Custodial and maintenance	99.00	98.00	98.00	103.00
Food service	81.95	82.64	80.48	78.39
Bus drivers, attendants, truckers, mechanics	78.38	76.30	68.95	61.66
Other support services staff	14.00	14.00	11.50	12.50
Total support and administration	351.09	347.69	336.68	334.55
District Totals	1,626.03	1,596.25	1,551.72	1,522.53

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

2010	2009	2008	2007	2006	2005
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
19.50	19.50	19.50	19.00	19.00	19.00
11.00	14.00	14.00	15.00	13.00	10.00
10.50	11.50	13.25	13.75	15.00	15.00
43.00	47.00	48.75	49.75	49.00	46.00
638.87	639.09	675.16	654.68	636.07	585.21
171.96	174.36	170.00	161.50	156.80	147.41
53.82	54.38	56.51	56.66	53.91	49.90
260.71	270.88	231.90	226.66	215.66	199.62
1,125.36	1,138.71	1,133.57	1,099.50	1,062.44	982.14
30.00	31.00	34.00	33.00	33.00	32.00
21.40	21.40	21.40	19.40	19.40	18.20
21.20	21.20	21.19	20.69	20.00	19.20
9.00	9.00	10.00	10.00	9.28	12.16
81.60	82.60	86.59	83.09	81.68	81.56
79.88	85.57	85.44	86.44	83.88	77.88
111.00	112.00	118.00	114.00	114.00	103.00
78.25	78.58	77.51	75.32	74.46	67.43
60.37	62.70	62.27	59.71	60.47	56.46
12.50	11.00	11.00	11.00	11.00	11.00
342.00	349.85	354.22	346.47	343.81	315.77
1,591.96	1,618.16	1,623.13	1,578.81	1,536.93	1,425.47

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
119	2014	10,579	\$119,847,755	\$11,329	6.45%	\$136,390,090	\$12,893	9.24%	803.78	13.16	39.27%
	2013	10,513	\$111,886,940	\$10,643	3.50%	\$124,079,595	\$11,802	3.65%	786.25	13.37	39.00%
	2012	10,470	\$107,668,179	\$10,283	3.29%	\$119,212,795	\$11,386	3.73%	757.40	13.82	37.60%
	2011	10,517	\$104,693,486	\$ 9,955	0.62%	\$115,444,822	\$10,977	0.40%	750.30	14.02	37.50%
	2010	10,697	\$105,833,479	\$ 9,894	0.87%	\$116,948,040	\$10,933	(0.36%)	810.83	13.19	37.80%
	2009	10,614	\$104,115,662	\$ 9,809	5.15%	\$116,463,644	\$10,973	10.23%	813.45	13.05	36.30%
	2008	10,728	\$100,080,845	\$ 9,329	8.56%	\$106,793,802	\$ 9,955	(2.07%)	845.16	12.69	34.70%
	2007	10,734	\$ 92,243,449	\$ 8,593	3.65%	\$109,112,293	\$10,165	15.97%	816.18	13.15	34.80%
	2006	10,547	\$ 87,444,945	\$ 8,291	10.76%	\$ 92,443,458	\$ 8,765	6.94%	792.87	13.30	34.00%
	2005	10,424	\$ 78,032,075	\$ 7,486	3.73%	\$ 85,437,370	\$ 8,196	4.01%	732.62	14.23	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			
	2014	2013	2012	2011
Elementary:				
Audubon (1973)				
Square feet	37,992	37,992	37,992	37,992
Capacity	336	336	336	336
Enrollment	290	259	290	259
Bryant (1940)				
Square feet	30,724	30,724	30,724	30,724
Capacity	263	263	263	263
Enrollment	266	284	303	316
Carver (2007)				
Square feet	69,902	66,202	66,202	66,202
Capacity	574	524	524	524
Enrollment	587	575	580	562
Eisenhower (1970)				
Square feet	63,455	63,455	63,455	63,455
Capacity	460	460	460	460
Enrollment	547	525	523	547
Fulton (1939)				
Square feet	35,098	35,098	35,098	35,098
Capacity	264	264	264	264
Enrollment	287	283	285	274
Hoover (1970)				
Square feet	28,663	28,663	28,663	28,663
Capacity	231	231	231	231
Enrollment	317	282	246	258

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

2010	2009	2008	2007	2006	2005
37,992	37,992	37,992	37,992	37,992	37,992
336	390	390	390	390	390
309	284	292	344	337	370
30,724	30,724	30,724	30,724	30,724	30,724
263	390	390	390	390	390
315	321	330	317	309	339
66,202	66,202	66,202	N/A	N/A	N/A
524	624	624	N/A	N/A	N/A
497	435	416	N/A	N/A	N/A
63,455	63,455	63,455	63,455	63,455	63,455
460	624	624	624	624	624
557	547	527	581	589	644
35,098	35,098	35,098	35,098	35,098	35,098
264	312	312	312	312	312
271	215	252	265	195	298
28,663	28,663	28,663	28,663	28,663	28,663
231	312	312	312	312	312
278	281	283	336	318	353

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
Elementary:				
Irving (1951)				
Square feet	79,064	79,064	79,064	79,064
Capacity	492	492	492	492
Enrollment	562	537	540	525
Kennedy (1965)				
Square feet	52,953	52,953	52,953	52,953
Capacity	491	491	491	491
Enrollment	560	537	542	511
Lincoln (1940)				
Square feet	37,692	37,692	37,692	37,692
Capacity	296	296	296	296
Enrollment	290	314	292	286
Marshall (1939)				
Square feet	33,956	33,956	33,956	33,956
Capacity	248	248	248	248
Enrollment	319	308	279	249
Prescott (Demolished and Rebuilt 2006)				
Square feet	65,836	65,836	65,836	65,836
Capacity	375	375	375	375
Enrollment	281	302	287	298
Sageville (1956)				
Square feet	42,237	42,237	41,612	41,612
Capacity	299	299	299	299
Enrollment	282	281	280	278
Table Mound (1960)				
Square feet	51,758	51,758	51,758	51,758
Capacity	370	370	370	370
Enrollment	467	446	410	422

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2010	2009	2008	2007	2006	2005
79,064	79,064	59,755	47,655	47,655	47,655
492	624	624	624	624	624
494	477	492	519	535	604
52,953	52,953	52,953	52,953	52,953	52,953
491	624	624	624	624	624
508	491	481	662	613	644
37,692	37,692	37,692	37,692	37,692	37,692
296	390	390	390	390	390
374	336	320	333	300	438
33,956	33,956	33,956	33,956	33,956	33,956
248	312	312	312	312	312
263	267	253	282	286	362
65,836	65,836	65,836	65,836	30,547	30,547
375	312	312	312	312	312
266	265	272	246	273	277
41,612	41,612	41,612	41,612	41,612	41,612
299	390	390	390	390	390
281	313	320	327	302	354
51,758	51,758	51,758	51,758	51,758	51,758
370	546	546	546	546	546
435	449	464	400	397	437

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
Middle Schools:				
Jefferson (1922)				
Square feet	89,948	89,948	89,948	89,948
Capacity	620	620	620	620
Enrollment	569	594	567	583
Roosevelt (2005)				
Square feet	206,000	206,000	206,000	206,000
Capacity	1,050	1,050	1,050	1,050
Enrollment	1,106	1,132	1,127	1,162
Washington (1920)				
Square feet	98,330	92,830	92,830	92,830
Capacity	657	657	657	657
Enrollment	668	672	671	637
High Schools:				
Alta Vista Campus (1963)				
Square feet	27,177	26,427	26,427	26,427
Capacity	150	150	150	68
Enrollment	0	0	0	51
Hempstead (1970)				
Square feet	261,268	261,268	261,268	261,268
Capacity	1,657	1,657	1,657	1,657
Enrollment	1,643	1,614	1,681	1,756
Senior (1920)				
Square feet	286,611	286,611	286,611	286,611
Capacity	1,657	1,657	1,657	1,657
Enrollment	1,635	1,618	1,593	1,542

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

2010	2009	2008	2007	2006	2005
89,948	89,948	89,948	89,948	89,948	89,948
620	775	775	775	775	775
600	616	607	654	720	781
206,000	206,000	206,000	206,000	206,000	N/A
1,050	1,400	1,400	1,400	1,400	N/A
1,104	1,113	1,163	1,146	1,107	N/A
92,830	92,830	92,830	92,830	92,830	92,830
657	775	775	775	775	775
642	639	692	682	724	835
26,427	26,427	26,427	26,427	26,427	26,427
68	184	184	184	184	400
61	71	155	164	126	350
261,268	261,268	261,268	258,988	256,112	242,962
1,657	1,920	1,920	1,920	1,920	1,920
1,727	1,823	1,829	1,797	1,718	1,666
286,611	286,611	286,611	286,611	286,611	286,611
1,657	1,920	1,920	1,920	1,920	1,920
1,516	1,468	1,459	1,563	1,583	1,620

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2014	2013	2012	2011
High Schools: (continued)				
Central Alternative (1906)				
Square feet	---	---	---	---
Capacity	---	---	---	---
Enrollment	---	---	---	---
Other District Facilities:				
Forum (1979)				
Square feet	24,959	24,959	24,959	24,959
Warehouse/Central Kitchen (1981)				
Square feet	33,000	33,000	33,000	33,000
Bus Garage (1985)				
Square feet	11,020	11,020	11,020	11,020
Buildings and Grounds (1985)				
Square feet	13,680	13,680	13,680	13,680
Buildings and Grounds Warehouse (1985)				
Square feet	5,000	5,000	5,000	5,000

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

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2010	2009	2008	2007	2006	2005
89,948	89,948	89,948	89,948	89,948	89,948
620	775	775	775	775	775
600	616	607	654	720	781
24,959	24,959	24,959	24,959	24,959	24,959
33,000	30,000	30,000	30,000	30,000	30,000
11,020	11,020	11,020	11,020	11,020	11,020
13,680	13,680	13,680	13,680	13,680	13,680
5,000	5,000	5,000	5,000	5,000	5,000

Table 23

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

(Unaudited)

School Year	Minimum	Maximum	Average
2013 - 2014	\$29,177	\$71,161	\$43,335
2012 - 2013	\$27,865	\$60,468	\$42,785
2011 - 2012	\$27,645	\$59,990	\$43,122
2010 - 2011	\$27,645	\$59,990	\$42,888
2009 - 2010	\$27,695	\$60,097	\$44,127
2008 - 2009	\$28,095	\$60,815	\$44,648
2007 - 2008	\$27,505	\$59,532	\$43,028
2006 - 2007	\$26,578	\$57,530	\$41,594
2005 -2006	\$25,880	\$56,000	\$40,942
2004 - 2005	\$25,160	\$54,440	\$40,118

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, 2014

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	FY14	<u>\$ 102,916</u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY14	<u>\$ 302,816</u>
National School Lunch Program	10.555	FY14	<u>2,257,635</u> *
			<u>\$2,560,451</u>
 Fresh Fruit and Vegetable Program	 10.582	 FY14	 <u>\$ 68,203</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to LEA	84.010	FY14	<u>\$1,597,490</u>
 Vocational Education – Basic Grants to States	 84.048	 FY14	 <u>\$ 111,523</u>
Safe and Drug-free Schools and Communities – National Programs	84.184	FY14	<u>\$ 110,093</u>
Education for Homeless Children and Youth	84.196	FY14	<u>\$ 38,000</u>
Twenty-first Century Community Learning Centers	84.287	FY14	<u>\$ 216,778</u>
Parental Assistance Centers	84.310	FY14	<u>\$ 1,556</u>
Advanced Placement Program	84.330	FY14	<u>\$ 4,680</u>
Improving Teacher Quality Grants	84.367	FY14	<u>\$ 354,623</u>
Grants for State Assessments and Related Activities	84.369	FY14	<u>\$ 57,002</u>
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	FY14	<u>\$ 339</u>
Developmental Disabilities Projects of National Significance	93.631	FY14	<u>\$ 19,975</u>
 Keystone Area Education Agency:			
Special Education – Grants to States	84.027	FY14	<u>\$ 569,118</u>
 English Language Acquisition Grants	 84.365	 FY14	 <u>\$ 10,961</u>
Total			<u>\$5,823,708</u>

* Includes \$339,181 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, 2014

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Dubuque Community School District for the year ended June 30, 2014. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Significant Accounting Policies

Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Dubuque Community School District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014

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

None

Compliance Findings Over Federal Awards

III-A-13 – A test of fifty-four (54) free and reduced verifications disclosed two (2) cases that verifications were done improperly.	Corrected
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**Other Findings Related to Required
Statutory Reporting**

None

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Certified Public Accountants

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

To the Board of Education of
Dubuque Community School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dubuque Community School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Dubuque Community School District's basic financial statements, and have issued our report thereon dated January 12, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2014 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
January 12, 2015

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

To The Board of Education of
Dubuque Community School District:

Report on Compliance for Each Major Federal Program

We have audited Dubuque Community School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Dubuque Community School District's major federal programs for the year ended June 30, 2014. Dubuque Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Dubuque Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dubuque Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Dubuque Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Dubuque Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dubuque Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dubuque Community School District's internal control over compliance.

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

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

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

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
January 12, 2015

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) No significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - 1) CFDA Number 84.010 - Title I Grants to Local Educational Agencies
 - 2) CFDA Number 84.027 - Special Education Grants to States (IDEA, Part B)
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Dubuque Community School District did qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

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

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INTERNAL CONTROL DEFICIENCIES:

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

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

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

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-14 Certified Budget - Expenditures for the year ended June 30, 2014, did not exceed the amounts budgeted.
- IV-B-14 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-14 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-14 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-14 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-14 Board Minutes - We noted no transaction requiring Board approval which had not been approved by the Board.
- IV-G-14 Certified Enrollment - 6.50 variances in the basic enrollment data certified by the Iowa Department of Education were noted.
- Recommendation - A system should be developed to reconcile the enrollment data collected by the District before submission to the Iowa Department of Education.
- Response - We will attempt to develop such a system.
- IV-H-14 Supplementary Weighting - No variances regarding supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-14 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.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

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

- IV-J-14 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.
- IV-K-14 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- IV-L-14 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, 2014, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$12,971,708
Revenues/transfers in:		
Statewide sales, services and use tax	\$ 8,974,360	
Other local revenue	38,169	
Investment income	15,736	
Revenue bonds issued	13,033,000	
Transfers from other funds	1,175,000	
Refunds of prior year expenditures	<u>7,116</u>	\$23,243,381
Expenditures/transfers out:		
School infrastructure:		
Construction	\$24,227,373	
Equipment	3,398,210	
Other	286,142	
Debt service for school infrastructure:		
Transfers to other funds	<u>2,532,078</u>	<u>\$30,443,803</u>
Ending balance		<u>\$ 5,771,286</u>

For the year ended June 30, 2014, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

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

IV-M-14 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.