



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

For the Fiscal Year Ended June 30, 2020

2300 Chaney Road, Dubuque, Iowa 52001

In the Counties of Dubuque and Jackson, State of Iowa

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

For the Fiscal Year Ended June 30, 2020

OFFICIAL ISSUING REPORT
Kevin Kelleher
Chief Financial Officer

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, equitable, and using resources wisely
-



December 14, 2020

Ms. Tamara L. Ryan, President
Members of the Board of Education, and
Residents of the Dubuque Community School District

We are pleased to submit the Comprehensive Annual Financial Report of the Dubuque Community School District (District) for the fiscal year ended June 30, 2020. This report has been prepared to conform to guidelines recommended by the Association of School Business Officials International. The responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with the officials of the District's Business Office management staff. We believe the data is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position and results of operations of the District, as measured by the financial activity of the various funds; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

Jim Kircher and Associates, P.C., have issued an unmodified ("clean") opinion on the District's basic financial statements for the year ended June 30, 2020. The Independent Auditor's Report is located at the front of the financial section of this report.

The Comprehensive Annual Financial Report (CAFR) is divided into four sections: introductory, financial, statistical, and single audit compliance. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal District officials, consultants and advisors, and a Certificate of Excellence in Financial Reporting from the Association of School Business Officials International. The financial section includes the Independent Auditor's Report, the Management's Discussion and Analysis, the basic financial statements, notes to the financial statements and required supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The District was required to have a single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States and Local Governments and Nonprofit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, summary schedule of prior audit findings, the independent auditor's report on internal control over financial reporting and on compliance and other matters, independent auditor's report on compliance with requirements for each major program and on internal control over compliance, and a schedule of findings and questioned costs are included in the single audit compliance section of this report.

Reporting Entity and its Services

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

The District was organized in 1856. The District is supported financially by legislatively appropriated state aid, property taxes, local option sales and services tax, state and federal grants for special projects and local revenue received in the form of tuition and other miscellaneous income items. The District is governed by a seven-member board of education. Effective with the September 2009 election, school board members are elected to four-year terms and elections are held only in odd-numbered years. 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 2019 (the official count date) was 10,489 students. This District is the ninth largest of Iowa's 327 public school systems. According to the Iowa Department of Education, projected enrollments decline slightly over the next few years. The District operates two regular high schools, three middle schools, and thirteen elementary schools.

The financial statements include all funds, agencies, boards, and commissions. The District has also considered all actual and potential component units for which it is financially accountable and all other organizations where the nature of significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading. 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

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

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

Relevant Financial Policies

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

The District takes its fiduciary responsibility to our students, parents and taxpayers very seriously. It has adopted policies defining the budget process, purchasing, insurance and cash management. It has also adopted a strategic plan which includes a ten-year facilities plan, a District technology plan and 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 month's worth of cash expenditures

For FY 2019-20, listed below are the District's benchmarks and actual amounts:

	<u>Benchmark</u>	<u>Actual</u>
Cash Balance	\$33,816,161	\$31,601,063
Solvency Ratio	5% - 15%	13.0%
Unspent Balance	\$11,057,879	\$10,464,284

The District did not meet the Cash Balance nor the Unspent Balance benchmarks and met the Solvency Ratio benchmark. There was an increase in Cash Balance but a decrease in Solvency Ratio and Unspent Balance for the year ended June 30, 2020. The District is expecting decreases in Cash Balance, Solvency Ratio and Unspent Balance in the 2020-21 fiscal year and will need to monitor the financial benchmarks throughout the year to see what level of budget reduction plans for the 2021-22 fiscal year are needed.

Budgeting

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

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

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 subsequently enacted legislation that extended the statewide sales tax to 2029. Because of this extension, the District has developed a long-term facilities plan and a long-term technology plan to strategically use these additional funds to complement the District Strategic Plan. In the spring of 2019, the State of Iowa enacted legislation again and renewed the statewide sales tax to January 1, 2051. The District will continue to use the long-term facilities plan and long-term technology plan to strategically use these additional funds.

In FY 2013-14, the District completed a large facility project and started two large facility projects. They included an approximately \$10,100,000 stadium renovation project at Senior High School that was completed in the summer of 2013 and an approximately \$33,000,000 multi-year remodel/addition project at Hempstead High School, and an approximately \$6,600,000 remodel/addition multi-year project at Kennedy Elementary School. The Kennedy Elementary School project was completed during FY 2014-15 while the Hempstead High School project was completed in FY 2015-16. In FY 2014-15, the District conducted a study and began architectural drawings on a major remodel/addition project budgeted at Senior High School. The Senior High School project was completed during FY 2019-20 at a cost of approximately \$29,500,000. In FY 2016-17, the District began a study on how to replace the aging District swimming pool. Construction was completed during FY 2019-20 at a cost of approximately \$9,600,000. Additionally, the District began construction in FY 2017-18 on an addition to the building on the Alta Vista Campus. The project was completed in FY 2019-20 at a cost of approximately \$6,600,000. All of these projects have been funded with sales tax revenue and sales tax revenue bonds. The District issued \$10,000,000 bonds in April 2012, \$10,000,000 in April 2013, \$13,033,000 in March 2014, \$15,960,000 in January 2015, \$10,000,000 in December of 2016, and \$10,000,000 in December of 2017. The District issued \$9,455,000 in October of 2018. These funds were used to complete the Senior project and pay for the expenses of the Alta Vista Campus addition.

In FY 2019-20, the District began work on two additional projects. A study was completed and construction began on a vocational technology addition to the Alta Vista Campus. The estimated cost of this project is approximately \$1,700,000. Also, the District began the study on another major remodel/addition project at Senior High School (Phase II). This project is to remodel areas that were not touched in the first project as well as to add needed educational spaces that do not currently exist or need to be moved to improve educational programs. Recent budget estimates have projected the cost to be approximately \$33,900,000. The Senior High School (Phase II) project will be funded in two separate sales of sales tax revenue bonds. In July of 2020, the District sold \$24,085,000 to refinance the 2014 and 2015 bonds, which will substantially reduce future year interest costs, and to generate approximately \$2,100,000 to pay for the architects on the Senior High School (Phase II) project. Additional costs of the project will be funded by future sales tax revenue and sales of sales tax revenue bonds.

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, 2013, 2017, and 2019. The regional tax base is steady; the property tax base of the Dubuque Community School District itself is below the state average. The per pupil property tax valuation ranks 217 out of 327 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 FY 2019-20 was \$6,880. The State Supplemental Aid rate for FY 2020-21 is at 2.30% which equates to a per pupil amount of \$7,048.

In light of these circumstances, the District must continue to operate in the most efficient manner possible during FY 2020-21 to help ensure adequate funding for staff, services, and supplies.

Independent Audit

The accounting firm of Jim Kircher & Associates, P.C., was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Compliance Supplement. The auditor's report on the basic financial statements, combining and individual fund statements, and other schedules is included in the financial section of this report. The auditors have issued an unmodified "clean" opinion on the Dubuque Community School District's financial statements for the year ended June 30, 2020. 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. This Certificate is a prestigious national award, recognizing conformance with the highest standards for preparation of government financial reports. 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. The Dubuque Community School District has received these awards for the eleven previous fiscal years' Comprehensive Annual Financial Report. 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. The District had not applied for the Certificate in any years prior to 2009.

Other Matters

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

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

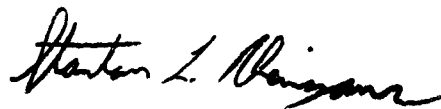
We wish to take this opportunity to thank the Business Department staff, in particular, Rick Till and Joan Steffen, that assisted in obtaining and organizing data, the independent auditing firm of Jim Kircher & Associates, P.C., the Dubuque County Auditor and Treasurer Offices and the city and county 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.

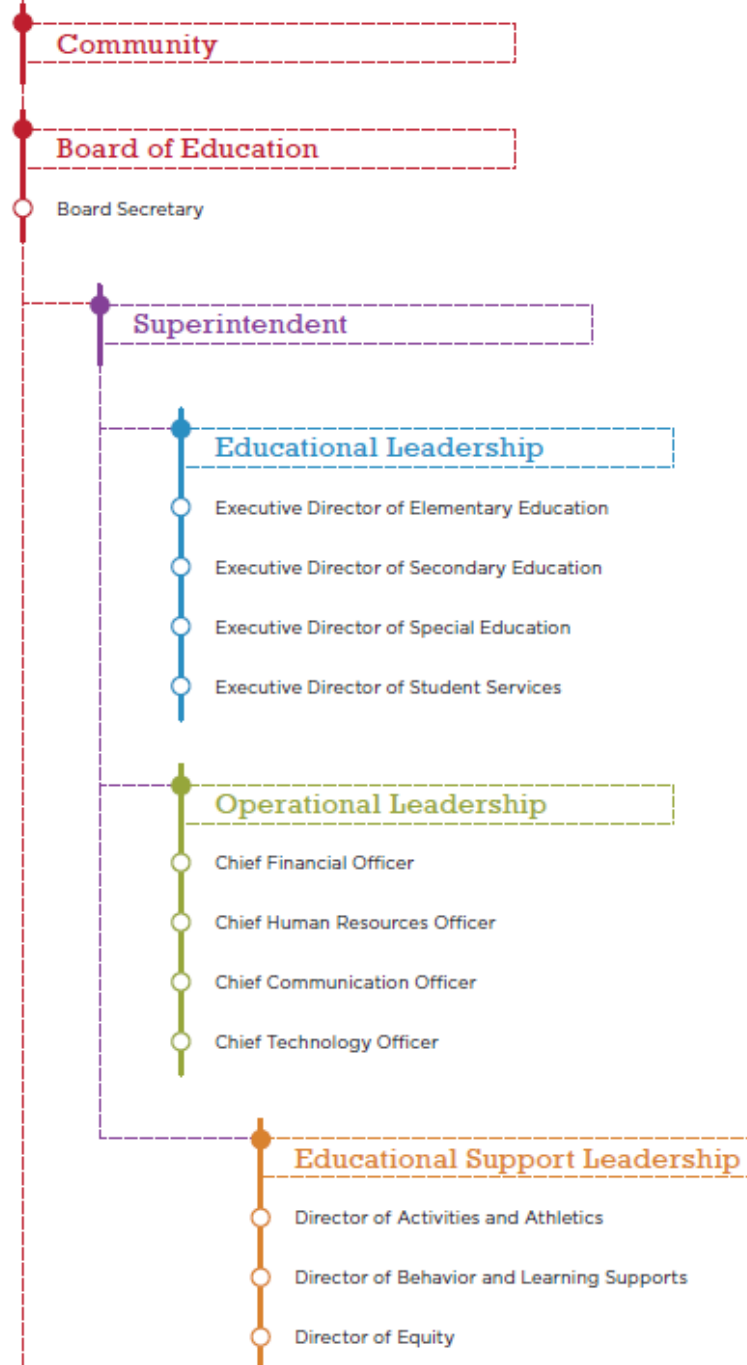
Very truly yours,



Kevin Kelleher
Chief Financial Officer



Stan Rheingans
Superintendent of Schools



JULY 15, 2019

Dubuque Community School District

Board of Education

Year Ended June 30, 2020

Term Expires:

Tami Ryan	President	December 2023
Jim Prochaska	Vice President	December 2021
Nancy Bradley	Board Member	December 2021
Anderson Sainci	Board Member	December 2021
Mike Donohue	Board Member	December 2023
Kate Parks	Board Member	December 2023
Lisa Wittman	Board Member	December 2023

Dubuque Community School District

School District Administration

Year Ended June 30, 2020

Stan Rheingans	Superintendent of Schools
Kevin Kelleher	Chief Financial Officer
Amy Hawkins	Chief Human Resources Officer
Coby Culbertson	Chief Technology Officer
Michael Cyze	Chief Communication Officer

Executive Directors

Mark Burns	Executive Director of Secondary Education
Cindy Steffens	Executive Director of Elementary Education
Brenda Duvel	Executive Director of Special Education
Shirley Horstman	Executive Director of Student Services

Business Office

Rick Till	Director of Finance
Amy VanderMeulen	Manager of Payroll and Benefits
Bill Burkhart	Manager of Buildings and Grounds
Charlie Clasen	Assistant Manager of Buildings and Grounds
Ernie Bolibaugh	Manager of Transportation
Sue Shaul	Assistant Manager of Transportation
Joann Franck	Manager of Food Services
Jackie Ament	Assistant Manager of Food Services

Dubuque Community School District

Consultants and Advisors

Year Ended June 30, 2020

Certified Public Accountants

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

Bond Counsel

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

General Counsel

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

Insurance Consultants

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

Financial Advisors

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

Dubuque Community School District

Consultants and Advisors

Year Ended June 30, 2020

Official Depositories

Premier Bank
2625 NW Arterial
Dubuque, IA 52002

Midwest One
895 Main St.
Dubuque, IA 52001

Dubuque Bank & Trust
1398 Central
Dubuque, IA 52001

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

UMB
453 7th Street
Des Moines, IA 50309

Fidelity Bank & Trust
4250 Asbury Road
Dubuque, IA 52002

Collins Community Credit Union
1150 42nd Street NE
Cedar Rapids, IA 52410

Iowa Schools Joint Investment Trust
6000 Grand Avenue
Des Moines, IA 50312

Dupaco Community Credit Union
3299 Hillcrest Road
Dubuque, IA 52001

DuTrac Community Credit Union
3465 Asbury Road
Dubuque, IA 52002



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Dubuque Community School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



Claire Hertz, SFO
President

David J. Lewis
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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 14 to the financial statements, Dubuque Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of Net Pension Liability, the Schedule of District Contributions, and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 21 through 35 and 79 through 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dubuque Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2019 (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 other supplementary information, and the accompanying Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, are the responsibility of management and were 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 on our consideration of Dubuque Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dubuque Community School District's internal control over financial reporting and compliance.

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
December 14, 2020

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

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, 2020. Please read this information in conjunction with the District's financial statements, which immediately follow this section.

2020 FINANCIAL HIGHLIGHTS

- The District implemented Governmental Accounting Standards Board Statement (GASBS) No. 84, Fiduciary Activities, during FY 2019-20. The beginning net position for fiduciary (custodial) funds was restated by \$32,858 to retroactively report fiduciary funds in accordance with the GASBS.
- Funding levels for Iowa K-12 school districts depend principally on two factors: first, changes in enrollment and second, changes in *per pupil district cost*. Of these two factors, changes in *per pupil district cost* normally have the larger impact on District funding. *Per pupil district cost* is an amount annually set by state government. This amount has historically been determined by applying a percentage increase to the prior year's amount. The percentage increase was 2.06% for FY 2019-20, 1.00% for FY 2018-19, 1.11% for FY 2017-18 and 2.25% for FY 2016-17. This percentage amount has a substantial impact on district-funding levels and has been very low in recent years.
- The District's enrollment had been declining slightly in recent years. However, from October 2018 to 2019, there was an increase of 59 students. The Iowa Department of Education projects slightly declining enrollment over the next several years.
- General fund revenues increased by \$0.9 million (0.7%) in FY 2019-20. Major components of this change include a \$1.2 million increase in state aid, a \$0.5 million increase from real estate taxes and a \$0.8 million decrease in miscellaneous income.
- General fund expenditures increased by \$1.2 million (0.9%) in this fiscal year. Salaries and benefits comprise 85.5% of general fund expenditures for FY 2019-20 as compared to 82.9% of general fund expenditures for FY 2018-19. The reason for this year's increase in percentage of salaries and benefits is directly related to the COVID-19 pandemic. In mid-March of 2020, the school year was brought to an abrupt halt and the District closed all of the school buildings and no longer had in-person instruction which decreased the amount of expenses for things like supplies, services and utilities. The District decided to continue to pay salaries and benefits for all staff through the end of their contract. This created a shift of a larger portion of expenses going towards salaries and benefits as compared to a normal fiscal year.
- General fund net change in fund balance decreased by \$0.1 million, cash/investments increased by \$2.0 million, and estimated unspent balance decreased by \$1.1 million.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

2020 FINANCIAL HIGHLIGHTS, continued

- The District monitors the three primary school district general fund financial indicators of cash/investments, solvency ratio, and unspent balance. These indicators are measured at year-end and compared to prior-years' results, state standards, and other districts' results. For FY 2019-20 results please refer to Page 7, Introductory Section, Relevant Financial Policies.
- The District's total net position decreased by \$3.3 million (3.8%) this fiscal year due to the District received a \$1,000,000 donation in FY 2018-19 for the construction of the District aquatic center. Also, a decline in interest rates reduced the amount of interest income the District received. Finally, the COVID-19 pandemic and closing of our schools in mid-March led to a substantial reduction in nutrition services revenue.
- The COVID-19 pandemic had a definite negative impact on the District's finances for FY 2019-20. It led to a decline in some revenues and created new types of expenditures like personal protective equipment or PPE.

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

USING THIS ANNUAL REPORT, continued

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.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Some funds are required by state law and 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.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES, continued

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 fund statements provide a detailed short-term view that helps determine whether there are more, or fewer, financial resources that can be spent in the near future to finance the District's programs.

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

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

2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's enterprise fund, one type of proprietary fund, is the same as its business-type activities but provides 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 custodial funds as follows:

- Private-purpose trust fund – The District accounts for outside donations for scholarships for individual students in this fund.
- Custodial funds – These are funds through which the District administers and accounts for certain revenue collected for employee related expenditures.

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

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

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

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-1 below provides a summary of the District's net position at June 30, 2020, compared to June 30, 2019.

**Figure A-1:
Condensed Statement of Net Position
June 30,**

	Governmental Activities		Business-type Activities		Total District		Total Percent -age Change
	2020	2019	2020	2019	2020	2019	2019-20
Current and other assets	\$124,285,725	\$127,675,816	\$2,162,433	\$2,468,362	\$126,448,158	\$130,144,178	(2.8%)
Capital assets	167,086,349	166,587,153	327,476	228,218	167,413,825	166,815,371	0.4%
Total assets	\$291,372,074	\$294,262,969	\$2,489,909	\$2,696,580	\$293,861,983	\$296,959,549	(1.0%)
Deferred outflows of resources	\$ 21,330,151	\$ 25,315,218	\$ 560,853	\$ 610,563	\$ 21,891,004	\$ 25,925,781	(15.6%)
Current liabilities	\$ 19,366,860	\$ 19,735,256	\$ 26,457	\$ 70,235	\$ 19,393,317	\$ 19,805,491	(2.1%)
Long-term liabilities	135,484,133	144,370,183	1,863,683	1,950,118	137,347,816	146,320,301	(6.1%)
Total liabilities	\$154,850,993	\$164,105,439	\$1,890,140	\$2,020,353	\$156,741,133	\$166,125,792	(5.6%)
Deferred inflows of resources	\$ 74,337,778	\$ 68,945,343	\$ 637,881	\$ 451,586	\$ 74,975,659	\$ 69,396,929	8.0%
Net position:							
Net investment in capital assets	\$103,938,349	\$100,266,840	\$ 327,476	\$ 228,218	\$104,265,825	\$100,495,058	3.8%
Restricted	31,116,377	35,704,352	0	0	31,116,377	35,704,352	(12.8%)
Unrestricted	(51,541,272)	(49,443,787)	195,265	606,986	(51,346,007)	(48,836,801)	5.1%
Total net position	\$ 83,513,454	\$ 86,527,405	\$ 522,741	\$ 835,204	\$ 84,036,195	\$ 87,362,609	(3.8%)

The District's total net position decreased 3.8%, or \$3,326,414, from the prior year. The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. See the "2020 FINANCIAL HIGHLIGHTS" section for the reasons for the decline.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position decreased \$4,587,975 or 12.8%, over the prior year. This decrease comes from a decline in the capital projects balance.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased \$2,509,206 or 5.1%. This reduction in unrestricted net position was primarily a result of changes in the District's pension related deferred outflows recorded in the current year.

(continued on the next page)

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

Figure A-2 shows the change in net position for the year ended June 30, 2020, compared to the year ended June 30, 2019.

Figure A-2:
Changes in Net Position

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change 2019-20
	2020	2019	2020	2019	2020	2019	
Revenues:							
Program revenues:							
Charges for services	\$ 3,155,202	\$ 3,952,936	\$1,611,820	\$2,223,522	\$ 4,767,022	\$ 6,176,458	(22.8%)
Operating grants, contributions, and restricted interest	23,707,633	24,333,425	3,261,079	3,417,676	26,968,712	27,751,101	(2.8%)
Capital grants, contributions, and restricted interest	0	1,000,000	0	0	0	1,000,000	(100.0%)
General revenues:							
Property taxes and other taxes	66,183,867	65,134,639	0	0	66,183,867	65,134,639	1.6%
Unrestricted state grants	57,325,777	56,228,199	0	0	57,325,777	56,228,199	2.0%
Unrestricted investment earnings	877,209	1,533,873	45,165	56,712	922,374	1,590,585	(42.0%)
Miscellaneous	1,135,823	755,328	0	0	1,135,823	755,328	50.4%
Total revenues	\$152,385,511	\$152,938,400	\$4,918,064	\$5,697,910	\$157,303,575	\$158,636,310	(0.8%)
Expenses:							
Instruction	\$ 95,059,857	\$ 95,586,540	\$ 0	\$ 0	\$ 95,059,857	\$ 95,586,540	(0.6%)
Student services and instructional staff services	14,202,936	13,193,166	0	0	14,202,936	13,193,166	7.7%
Administrative services	16,240,347	15,205,104	0	0	16,240,347	15,205,104	6.8%
Operation & maintenance of plant services	11,760,883	13,400,061	0	0	11,760,883	13,400,061	(12.2%)
Transportation services	5,318,515	5,378,821	0	0	5,318,515	5,378,821	(1.1%)
Non-instructional	79,056	183,930	4,948,700	5,036,945	5,027,756	5,220,875	(3.7%)
Other	13,019,695	12,629,597	0	0	13,019,695	12,629,597	3.1%
Total expenses	\$155,681,289	\$155,577,219	\$4,948,700	\$5,036,945	\$160,629,989	\$160,614,164	0.0%
Change in net position before transfers	(3,295,778)	(2,638,819)	(30,636)	660,965	(3,326,414)	(1,977,854)	68.2%
Transfers	281,827	280,129	(281,827)	(280,129)	0	0	0.0%
Change in net position	\$ (3,013,951)	\$ (2,358,690)	\$ (312,463)	\$ 380,836	\$ (3,326,414)	\$ (1,977,854)	68.2%
Beginning net position	86,527,405	88,886,095	835,204	454,368	87,362,609	89,340,463	(2.2%)
Ending net position	\$ 83,513,454	\$ 86,527,405	\$ 522,741	\$ 835,204	\$ 84,036,195	\$ 87,362,609	(3.8%)

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS, continued

In FY 2019-20, general revenues property taxes and other taxes and unrestricted state grants accounted for 80.9% of governmental activities revenue while program charges for service and operating grants, contributions, and restricted interest accounted for 99.1% of business-type activities revenue. The District's total revenues were approximately \$157.6 million, of which approximately \$152.7 million was for governmental activities and approximately \$4.9 million was for business-type activities.

As shown in Figure A-2, the District as a whole experienced an 0.8% decrease in revenues and a 0.0% increase in expenses. Operating grants and contributions decreased approximately \$0.8 million, unrestricted state grants increased approximately \$1.1 million, property tax increased approximately \$1.0 million, and others increased \$0.4 million. The increase in expenses is mainly related to changes in assumptions and changes in projected and actual earnings on IPERS investments.

Governmental Activities

Revenues for governmental activities were \$152,667,338 and expenses were \$155,681,289 for the year ended June 30, 2020.

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-3:
Total and Net Cost of Governmental Activities
Years Ended June 30,**

	Total Cost of Services		Percentage Change 2019-20	Net Cost of Services		Percentage Change 2019-20
	2020	2019		2020	2019	
Instruction	\$ 95,059,857	\$ 95,586,540	(0.6%)	\$ 75,998,466	\$ 75,190,904	1.1%
Support services:						
Student services						
and instructional						
staff services	14,202,936	13,193,166	7.7%	12,103,292	10,947,453	10.6%
Administrative						
services	16,240,347	15,205,104	6.8%	16,239,413	15,205,104	6.8%
Operation &						
maintenance of						
plant services	11,760,883	13,400,061	(12.2%)	11,746,151	13,400,061	(12.3%)
Transportation						
services	5,318,515	5,378,821	(1.1%)	4,872,094	4,932,156	(1.2%)
Non-instructional	79,056	183,930	(57.0%)	79,056	183,930	(57.0%)
Other	13,019,695	12,629,597	3.1%	7,779,982	6,431,250	21.0%
Total expenses	\$155,681,289	\$155,577,219	0.1%	\$128,818,454	\$126,290,858	2.0%

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

Governmental Activities, continued

For the year ended June 30, 2020:

- The cost financed by users of the District's programs was \$3,155,202.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$23,707,633.
- The net cost of governmental activities was financed with \$66,183,867 of property and other taxes and \$57,325,777 of unrestricted state grants.

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 decreased by \$779,846 over the prior year which represents a 13.7% decrease. The school nutrition fund revenues decreased this year mainly due to the COVID-19 pandemic and closing of our schools in mid-March.

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, as well. As the District completed the year, its governmental funds reported combined fund balance of \$47,982,503, below last year's ending fund balance of \$53,044,638. The primary reason for the decrease in combined fund balance at the end of the FY 2019-20 is because of a decrease in the fund balance in the Statewide Sales, Services and Use Tax of the Capital Projects group of funds.

Governmental Fund Highlights

- The District's general fund cash/investment balance increased in FY 2019-20. The District's fund balance and unspent balance decreased in the FY 2019-20. At June 30, 2020, the estimated unspent balance was \$10,464,284.
- Salaries and benefits comprise about 85.5% of the general fund expenditures. These expenditures increased \$4,412,471 due primarily to the negotiated settlements with the District's seven different bargaining units and because the District added additional space to provide instructional services that had been contracted out to a provider prior to FY 2019-20. This change in instructional services created a net savings to the District.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

Governmental Fund Highlights, continued

- The physical plant and equipment levy (PPEL) fund balance increased by \$695,795 in FY 2019-20. The main reason for this increase was because five of the nine school buses that were ordered in FY 2019-20 were not delivered until after the end of the fiscal year. Those funds were expended in FY 2020-21 when the buses finally arrived. 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 extended the sunset date through January 1, 2051. For FY 2019-20, the District received \$10,810,216 in sales tax revenue and did not issue any revenue bonds in this fund. The statewide sales, services and use tax fund balance decreased by \$4,831,105. This balance decreased due to the costs to complete the District aquatic center and addition on the Alta Vista Campus.
- The debt service fund balance decreased by \$1,024,931 in FY 2019-20. The District refinanced our 2012 and 2013 bonds during the year. The District was able to save approximately \$0.3 million of future interest costs.

Proprietary Fund Highlights

As stated previously, the school nutrition fund is the only proprietary fund maintained by the District. The nutrition fund change in net position decreased in FY 2019-20. The decrease was caused by the fact that the breakfast and lunch program was shut down in mid-March due to the COVID-19 pandemic. This led to a substantial decrease in revenue while the District continued to pay staff to the end of the normal school year.

BUDGETARY HIGHLIGHTS

The District maintains two types of budgets. The first is the *certified budget* which must meet certain state publication and monitoring requirements and is filed in April for the following year. The second is a management budget (sometimes called *line-item* budget) which is used by District administration to control and monitor expenditures. The *certified budget* needs to be tabulated in the following four functional areas: instruction, total support services, non-instructional programs, and total other expenditures. The District amended its original budget in FY 2019-20 for an increase in expenditures from \$163,169,013 to \$178,669,013 to reflect an increase in expenses due to the refinancing of 2012 and 2013 bonds which were paid off by the refinancing.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

BUDGETARY HIGHLIGHTS, continued

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, 2020, the District had invested \$167.4 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, infrastructure equipment, and transportation equipment. The year-end balance is a 0.4% 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 \$7,513,804.

The original cost of the District's capital assets was approximately \$258.8 million. Governmental funds account for approximately \$257.4 million, with the remainder of approximately \$1.4 million accounted for in the Enterprise, School Nutrition Fund.

The District is collecting over \$10 million annually in sales tax revenue so it is anticipated capital assets will continue to increase over the course of sales tax collection.

Figure A-4
Capital Assets, Net of Depreciation
June 30, 2020

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2019-20
Land	\$ 7,479,048	\$ 7,479,048	\$ 0	\$ 0	\$ 7,479,048	\$ 7,479,048	0.0%
Construction in progress	1,212,532	12,397,039	0	0	1,212,532	12,397,039	(90.2%)
Buildings and improvements	143,000,373	129,954,028	0	0	143,000,373	129,954,028	10.0%
Land improvements	9,851,703	10,542,222	0	0	9,851,703	10,542,222	(6.6%)
Furniture and equipment	5,542,693	6,214,816	327,476	228,218	5,870,169	6,443,034	(8.9%)
Total	\$167,086,349	\$166,587,153	\$327,476	\$228,218	\$167,413,825	\$166,815,371	0.4%

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

Capital Assets, continued

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

The District completed work on the \$9.6 million District aquatic center and the \$6.6 million addition at the Alta Vista Campus.

The District started construction on an estimated \$1.7 million vocational technology addition to the Alta Vista Campus and started design on a second remodel/addition project at Dubuque Senior High School (Phase II) with an estimated cost of \$33.9 million.

Long-term Debt

At June 30, 2020, the District had \$63,148,000 in revenue bond debt outstanding. This represents a decrease of approximately 8.4% from the prior year and results from bond principal paid during the year. The majority of the outstanding debt is secured by a first lien against sales tax collections. See Note 5 to the Financial Statements for additional information.

In December 2019, the District issued \$9,058,000 of School Infrastructure Sales, Services and Use Tax Revenue Bonds to refinance the 2012 and 2013 series revenue bonds. This refinancing will save the District approximately \$300,000 in net interest over the life of the bonds.

Figure A-5
Outstanding Long-term Bond Obligations
June 30, 2020

	Total District		Total Change
	2020	2019	2019-20
Revenue bonds	\$63,148,000	\$68,914,000	\$(5,766,000)

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

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* decreased in FY 2019-20 and is projected to decrease in FY 2020-21. The main reason for this is the continued low percentages of State Supplemental Aid. The District will need to monitor expenditures and how they affect future years' unspent balance. The long-term budget planning for the District has become more difficult in recent years. In the past, the State legislature was legally required to set the State Supplemental Aid rate approximately sixteen months in advance of the start of the fiscal year. They had a difficult time meeting that requirement in recent years so in the spring of 2017, the State legislature changed the law to be four months before the start of the fiscal year. This reduced period makes it extremely difficult for districts to make long-term budget plans. The State legislature in 2017 also significantly changed the rules involving collective bargaining as a way to help districts budget more effectively. The results of this change have given the District some flexibility but are not sufficient to offset the repeated years of low State Supplemental Aid. Additions to *unspent balance* are controlled by the State of Iowa. The District continues to apply to the State School Budget Review Committee for *modified supplemental amount* (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 supplemental amount* 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.
- District employees are covered by the Iowa Public Employees Retirement System (IPERS). This system has experienced recent-year increases in its unfunded actuarial liability resulting in a change to both employer and employee contribution rates. Wage levels will likely rise due to inflation and negotiated settlements. The IPERS' rate for the upcoming fiscal years is scheduled to remain unchanged.

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE, continued

- The District created a 10-Year Facility Plan in FY 2012-13. The plan shows the upcoming 10 years of projects that are scheduled to be completed at each District location along with the source of funding used to pay for the project. The plan is updated, reviewed, and approved annually by the Board of Education. The plan allows for flexibility if circumstances change and an unexpected project needs to be accelerated or added. The plan includes a future project priorities list, which now can be funded because of passage, in spring 2019, of legislation extending the sunset of the SAVE funding through January 1, 2051; in combination with local District taxpayers passing the District's Revenue Purpose Statement in November 2019. The Revenue Purpose Statement received an 83% yes vote which shows strong community support of how the District has spent the SAVE funds in the past as well as how the funds will be spent in the future.
- In July 2020, the District issued \$24,085,000 of School Infrastructure Sales, Services and Use Tax Revenue Bonds to refinance the 2014 and 2015 series revenue bonds. This refinancing will save the District approximately \$3.1 million in net interest over the life of the bonds and provide approximately \$2.0 million in cash to pay for the architect fees for the remodel/addition (Phase II) project at Dubuque Senior High School.
- Iowa school district funding faces many challenges in future years. Approximately \$85.7 million of District revenues (primarily state aid) come from sources that are funded by state income, sales, and use taxes. The state of the economy impacts Iowa general fund revenues. These revenues ultimately support state school aid. Recently, the Iowa Revenue Estimating Committee (REC) has projected a small increase in state revenues for the 2020-21 fiscal year. This continues to be a concern to the legislature about the State's ability to meet the current year budget expenditures. How that concern will be reflected in school funding is yet to be determined.
- The COVID-19 pandemic has affected the District in many ways including from an instructional standpoint and from a financial standpoint. FY 2020-21 has started off with new methods of instruction by either being fully online or by attending classes on alternate days. There are additional costs for both of these methods. For online only students, the District had to provide computer devices as well as connectivity (hot spots) for those who needed it. For the remainder of the students who are attending classes on alternate days, the District had to provide computer devices for all the secondary level and a majority of the elementary level, masks to be worn daily, cleaning supplies to sanitize on a daily basis, personal protective equipment for staff, and substitute costs for those who miss work due to testing positive. We are still operating within the pandemic so it is impossible to determine the total financial impact. Adding the pandemic to the day-to-day struggle of budgeting during continued low funding from the state has put the District in a challenging financial position. The District will need to adopt a plan to reduce costs over the next few years to remain financially sound.

Dubuque Community School District

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2020

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, Chief Financial Officer, Dubuque Community School District, 2300 Chaney Road, Dubuque, Iowa 52001.

Basic Financial Statements

Dubuque Community School District
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 61,693,452	\$1,903,703	\$ 63,597,155
Receivables:			
Property tax:			
Delinquent	1,157,288	0	1,157,288
Succeeding year	57,032,497	0	57,032,497
Accounts	52,527	0	52,527
Interest	24,836	0	24,836
Due from other governments	3,973,326	122,443	4,095,769
Inventories	341,799	136,287	478,086
Security deposit	10,000	0	10,000
Total current assets	<u>\$124,285,725</u>	<u>\$2,162,433</u>	<u>\$126,448,158</u>
Non-current assets:			
Capital assets not being depreciated	\$ 8,691,580	\$ 0	\$ 8,691,580
Capital assets net of accumulated depreciation/amortization	158,394,769	327,476	158,722,245
Total non-current assets	<u>\$167,086,349</u>	<u>\$ 327,476</u>	<u>\$167,413,825</u>
Total assets	<u>\$291,372,074</u>	<u>\$2,489,909</u>	<u>\$293,861,983</u>
Deferred Outflows of Resources:			
Pension related deferred outflows	\$ 17,221,826	\$ 428,599	\$ 17,650,425
OPEB related deferred outflows	4,108,325	132,254	4,240,579
Total deferred outflows of resources	<u>\$ 21,330,151</u>	<u>\$ 560,853</u>	<u>\$ 21,891,004</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 2,969,804	\$ 3,312	\$ 2,973,116
Salaries and benefits payable	13,785,065	23,145	13,808,210
Early retirement payable	252,910	0	252,910
Due to other governments	109,780	0	109,780
Unearned revenue	1,355,901	0	1,355,901
Security deposit payable	10,000	0	10,000
Accrued interest payable	883,400	0	883,400
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	5,084,000	0	5,084,000
Compensated absences	783,506	0	783,506
Portion due after one year:			
Revenue bonds	58,064,000	0	58,064,000
Net pension liability	59,510,658	1,476,031	60,986,689
Net OPEB liability	12,041,969	387,652	12,429,621
Total liabilities	<u>\$154,850,993</u>	<u>\$1,890,140</u>	<u>\$156,741,133</u>
Deferred Inflows of Resources:			
Succeeding year property tax	\$ 57,032,497	\$ 0	\$ 57,032,497
Pension related deferred inflows	12,661,962	319,398	12,981,360
OPEB related deferred inflows	3,856,054	124,133	3,980,187
Other	787,265	194,350	981,615
Total deferred inflows of resources	<u>\$ 74,337,778</u>	<u>\$ 637,881</u>	<u>\$ 74,975,659</u>
Net position:			
Net investment in capital assets	\$103,938,349	\$ 327,476	\$104,265,825
Restricted for:			
Categorical funding	1,259,028	0	1,259,028
Student activities	810,964	0	810,964
Management levy	6,908,479	0	6,908,479
Physical plant and equipment levy	5,260,071	0	5,260,071
Capital projects	9,157,193	0	9,157,193
Debt service	7,720,642	0	7,720,642
Unrestricted	(51,541,272)	195,265	(51,346,007)
Total net position	<u>\$ 83,513,454</u>	<u>\$ 522,741</u>	<u>\$ 84,036,195</u>

See notes to financial statements.

Dubuque Community School District
Statement of Activities
Year Ended June 30, 2020

	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	\$ 53,707,102	\$1,095,102	\$ 7,961,547	\$ (44,650,453)	\$ 0	\$ (44,650,453)
Special instruction	27,603,430	858,831	7,655,832	(19,088,767)	0	(19,088,767)
Other instruction	13,749,325	1,144,008	346,071	(12,259,246)	0	(12,259,246)
	<u>\$ 95,059,857</u>	<u>\$3,097,941</u>	<u>\$15,963,450</u>	<u>\$ (75,998,466)</u>	<u>\$ 0</u>	<u>\$ (75,998,466)</u>
Support services:						
Student services	\$ 8,097,633	\$ 0	\$ 440,636	\$ (7,656,997)	\$ 0	\$ (7,656,997)
Instructional staff services	6,105,303	0	1,659,008	(4,446,295)	0	(4,446,295)
Administration Services	16,240,347	0	934	(16,239,413)	0	(16,239,413)
Operation & maintenance of plant services	11,760,883	0	14,732	(11,746,151)	0	(11,746,151)
Transportation services	5,318,515	57,261	389,160	(4,872,094)	0	(4,872,094)
	<u>\$ 47,522,681</u>	<u>\$ 57,261</u>	<u>\$ 2,504,470</u>	<u>\$ (44,960,950)</u>	<u>\$ 0</u>	<u>\$ (44,960,950)</u>
Non-instructional programs	\$ 79,056	\$ 0	\$ 0	\$ (79,056)	\$ 0	\$ (79,056)
Other expenditures:						
Facilities acquisition	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
AEA flowthrough	5,239,713	0	5,239,713	0	0	0
Interest and other charges	1,866,379	0	0	(1,866,379)	0	(1,866,379)
Depreciation and other expenses (unallocated)*	5,913,603	0	0	(5,913,603)	0	(5,913,603)
	<u>\$ 13,019,695</u>	<u>\$ 0</u>	<u>\$ 5,239,713</u>	<u>\$ (7,779,982)</u>	<u>\$ 0</u>	<u>\$ (7,779,982)</u>
Total governmental activities	\$155,681,289	\$3,155,202	\$23,707,633	\$(128,818,454)	\$ 0	\$(128,818,454)
Business-type activities:						
Non-instructional programs:						
Nutrition services	\$ 4,948,700	\$1,611,820	\$ 3,261,079	\$ 0	\$ (75,801)	\$ (75,801)
Total	<u>\$160,629,989</u>	<u>\$4,767,022</u>	<u>\$26,968,712</u>	<u>\$(128,818,454)</u>	<u>\$ (75,801)</u>	<u>\$(128,894,255)</u>
General Revenues:						
Property tax levied for:						
General purposes				\$ 51,271,578	\$ 0	\$ 51,271,578
Capital outlay				4,102,073	0	4,102,073
Local option sales tax				10,810,216	0	10,810,216
Unrestricted state grants				57,325,777	0	57,325,777
Unrestricted investment earnings				877,209	45,165	922,374
Miscellaneous				1,135,823	0	1,135,823
Total general revenues				<u>\$125,522,676</u>	<u>\$ 45,165</u>	<u>\$ 125,567,841</u>
Transfers				281,827	(281,827)	0
Total general revenues and transfers				<u>\$125,804,503</u>	<u>\$(236,662)</u>	<u>\$ 125,567,841</u>
Change in net position				\$ (3,013,951)	\$(312,463)	\$ (3,326,414)
Net position beginning of year				86,527,405	835,204	87,362,609
Net position end of year				<u>\$ 83,513,454</u>	<u>\$ 522,741</u>	<u>\$ 84,036,195</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, 2020

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and pooled investment	\$31,601,063	\$14,410,302	\$15,682,087	\$ 61,693,452
Receivables:				
Property tax:				
Delinquent	991,786	94,386	71,116	1,157,288
Succeeding year	49,263,943	4,268,554	3,500,000	57,032,497
Accounts	52,527	0	0	52,527
Interest	13,151	2,009	9,676	24,836
Due from other governments	3,062,944	910,382	0	3,973,326
Inventories	341,799	0	0	341,799
Security deposit	10,000	0	0	10,000
Total assets	\$85,337,213	\$19,685,633	\$19,262,879	\$124,285,725
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 2,000,791	\$ 942,386	\$ 26,627	\$ 2,969,804
Salaries and benefits payable	13,785,065	0	0	13,785,065
Early retirement payable	0	0	252,910	252,910
Due to other governments	109,780	0	0	109,780
Unearned revenue	1,355,901	0	0	1,355,901
Security deposit payable	10,000	0	0	10,000
Total liabilities	\$17,261,537	\$ 942,386	\$ 279,537	\$ 18,483,460
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	\$49,263,943	\$ 4,268,554	\$ 3,500,000	\$ 57,032,497
Other	686,579	57,429	43,257	787,265
Total deferred inflows of resources	\$49,950,522	\$ 4,325,983	\$ 3,543,257	\$ 57,819,762
Fund balances:				
Non-spendable:				
Inventory	\$ 341,799	\$ 0	\$ 0	\$ 341,799
Restricted for:				
Categorical funding	1,259,028	0	0	1,259,028
Debt service	0	0	7,720,642	7,720,642
Management levy purposes	0	0	6,908,479	6,908,479
Student activities	0	0	810,964	810,964
School infrastructure	0	9,157,193	0	9,157,193
Physical plant and equipment levy	0	5,260,071	0	5,260,071
Unassigned	16,524,327	0	0	16,524,327
Total fund balances	\$18,125,154	\$14,417,264	\$15,440,085	\$ 47,982,503
Total liabilities, deferred inflows of resources and fund balance	\$85,337,213	\$19,685,633	\$19,262,879	\$124,285,725

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, 2020

Total fund balances of governmental funds (page 39) **\$ 47,982,503**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 167,086,349

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. (883,400)

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

Deferred outflows of resources	\$ 21,330,151	
Deferred inflows of resources	<u>(16,518,016)</u>	
		4,812,135

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	\$ (783,506)	
Bonds payable	(63,148,000)	
Net OPEB liability	(12,041,969)	
Pension liability	<u>(59,510,658)</u>	
		<u>(135,484,133)</u>

Net position of governmental activities (page 37) **\$ 83,513,454**

See notes to financial statements.

Dubuque Community School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 47,796,932	\$ 4,102,073	\$ 3,474,646	\$ 55,373,651
Tuition	1,240,198	0	0	1,240,198
Other	2,541,472	366,139	1,239,245	4,146,856
State sources	74,621,679	10,931,054	100,373	85,653,106
Federal sources	5,971,700	0	0	5,971,700
Total revenues	\$132,171,981	\$15,399,266	\$ 4,814,264	\$152,385,511
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 49,156,603	\$ 2,258,903	\$ 951,712	\$ 52,367,218
Special instruction	25,638,122	0	0	25,638,122
Other instruction	12,489,876	0	1,216,707	13,706,583
	\$ 87,284,601	\$ 2,258,903	\$ 2,168,419	\$ 91,711,923
Support services:				
Student services	\$ 7,637,000	\$ 0	\$ 100,274	\$ 7,737,274
Instructional staff services	5,886,229	0	101,953	5,988,182
Administration services	12,773,603	1,999,341	356,330	15,129,274
Operation and maintenance of plant services	10,043,115	59,725	1,638,375	11,741,215
Transportation services	3,789,743	653,714	217,663	4,661,120
	\$ 40,129,690	\$ 2,712,780	\$ 2,414,595	\$ 45,257,065
Non-instructional programs	\$ 276	\$ 6,226	\$ 29,496	\$ 35,998
Other expenditures:				
Facilities acquisition	\$ 0	\$ 8,035,520	\$ 0	\$ 8,035,520
Debt service:				
Principal	0	0	14,824,000	14,824,000
Interest and other charges	0	13,866	1,974,462	1,988,328
AEA flowthrough	5,239,713	0	0	5,239,713
	\$ 5,239,713	\$ 8,049,386	\$ 16,798,462	\$ 30,087,561
Total expenditures	\$132,654,280	\$13,027,295	\$ 21,410,972	\$167,092,547
Excess (deficiency) of revenues over (under) expenditures	\$ (482,299)	\$ 2,371,971	\$ (16,596,708)	\$ (14,707,036)
Other financing sources (uses):				
Revenue bonds issued	\$ 0	\$ 0	\$ 9,058,000	\$ 9,058,000
Compensation for loss of capital assets	3,545	149,038	0	152,583
Sales of property and equipment	152,491	0	0	152,491
Transfers in	293,139	0	6,696,581	6,989,720
Transfers out	(40,262)	(6,656,319)	(11,312)	(6,707,893)
Total other financing sources (uses):	\$ 408,913	\$ (6,507,281)	\$ 15,743,269	\$ 9,644,901
Change in fund balances	\$ (73,386)	\$ (4,135,310)	\$ (853,439)	\$ (5,062,135)
Fund balances beginning of year	18,198,540	18,552,574	16,293,524	53,044,638
Fund balances end of year	\$ 18,125,154	\$14,417,264	\$ 15,440,085	\$ 47,982,503

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, 2020

Net change in fund balances – total governmental funds (page 41) \$ (5,062,135)

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	\$ 8,060,080	
Depreciation expense	<u>(7,474,220)</u>	
		585,860

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. (86,664)

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	\$ (9,058,000)	
Repaid	<u>14,824,000</u>	
		5,766,000

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.

121,949

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

7,571,188

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	\$ (122,379)	
OPEB expense	(871,742)	
Pension expense	<u>(10,916,028)</u>	
		<u>(11,910,149)</u>

Change in net position of governmental activities (page 38) \$ (3,013,951)

See notes to financial statements.

Dubuque Community School District
Statement of Net Position
Proprietary Fund
June 30, 2020

	<u>School Nutrition</u>
Assets:	
Current assets:	
Cash	\$1,903,703
Due from other governments	122,443
Inventories	136,287
Total current assets	<u>\$2,162,433</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>327,476</u>
Total assets	<u>\$2,489,909</u>
Deferred Outflows of Resources:	
Pension related deferred outflows	\$ 428,599
OPEB related deferred outflows	<u>132,254</u>
Total deferred outflows of resources	<u>\$ 560,853</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 3,312
Salaries and benefits payable	23,145
Long-term liabilities:	
Net pension liability	1,476,031
Net OPEB liability	<u>387,652</u>
Total liabilities	<u>\$1,890,140</u>
Deferred Inflows of Resources:	
Pension related deferred inflows	\$ 319,398
OPEB related deferred inflows	124,133
Other	<u>194,350</u>
Total deferred inflows of resources	<u>\$ 637,881</u>
Net Position:	
Investment in capital assets	\$ 327,476
Unrestricted	<u>195,265</u>
Total net position	<u>\$ 522,741</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, 2020

	<u>School Nutrition</u>
Operating revenue:	
Local sources:	
Charges for service	\$ 1,558,507
Other	<u>53,313</u>
Total operating revenue	\$ 1,611,820
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	\$ 1,977,702
Benefits	856,647
Purchased services	380
Supplies	2,064,022
Depreciation	39,584
Loss on disposal of assets	<u>10,365</u>
Total operating expenses	<u>\$ 4,948,700</u>
Operating loss	<u>\$(3,336,880)</u>
Non-operating revenue:	
State sources	\$ 42,038
Federal sources	3,219,041
Interest on investments	<u>45,165</u>
Total non-operating revenue	<u>\$ 3,306,244</u>
Net income before transfers	\$ (30,636)
Transfers in	0
Transfers out	<u>(281,827)</u>
Change in net position	\$ (312,463)
Net position beginning of year	<u>835,204</u>
Net position end of year	<u><u>\$ 522,741</u></u>

See notes to financial statements.

Dubuque Community School District
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2020

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 1,597,763
Cash received from miscellaneous operating activities	96,576
Cash payments to employees for services	(2,767,974)
Cash payments to suppliers for goods or services	<u>(1,748,900)</u>
Net cash used in operating activities	<u>\$(2,822,535)</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 56,320
Federal grants received	2,725,116
Transfers from other funds	0
Transfers to other funds	<u>(281,827)</u>
Net cash provided by non-capital financing activities	<u>\$ 2,499,609</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	\$ (149,207)
Cash flows from investing activities:	
Interest on investments	<u>45,165</u>
Net increase in cash and cash equivalents	\$ (426,968)
Cash and cash equivalents at beginning of year	<u>2,330,671</u>
Cash and cash equivalents at end of year	<u>\$ 1,903,703</u>

(continued)

See notes to financial statements.

Dubuque Community School District
Statement of Cash Flows (continued)
Proprietary Fund
Year Ended June 30, 2020

	<u>School Nutrition</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$(3,336,880)
Adjustments to reconcile operating loss to net cash used in operation activities:	
Commodities used	371,482
Depreciation	39,584
Loss on disposal of assets	10,365
Decrease in other receivables	0
Increase in inventories	(12,878)
Decrease in accounts payable	(43,102)
Decrease in salaries and benefits payable	(676)
Decrease in net pension liability	(126,038)
Decrease in deferred outflows of resources	49,710
Increase in deferred inflows of resources	186,295
Increase in net OPEB liability	<u>39,603</u>
Net cash used in operating activities	<u><u>\$(2,822,535)</u></u>

Non-cash investing, capital, and financial activities:

During the year ended June 30, 2020, the District received \$371,482 of Federal commodities.

See notes to financial statements.

Dubuque Community School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Private Purpose Trust</u>	
	<u>Scholarship</u>	<u>Custodial</u>
Assets		
Cash	<u>\$146,015</u>	<u>\$37,455</u>
Total assets	\$146,015	\$37,455
Net position		
Restricted for scholarships	\$146,015	\$ 0
Restricted for other organizations	<u>0</u>	<u>37,455</u>
Total net position	<u>\$146,015</u>	<u>\$37,455</u>

See notes to financial statements.

Dubuque Community School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2020

	<u>Private Purpose Trust</u>	
	<u>Scholarship</u>	<u>Custodial</u>
Additions:		
Local sources:		
Gifts and contributions	\$ 4,495	\$26,034
Interest income	2,614	0
Total additions	<u>\$ 7,109</u>	<u>\$26,034</u>
Deductions:		
Scholarships awarded	\$ 15,690	\$ 0
Administrative	0	21,437
Total deductions	<u>\$ 15,690</u>	<u>\$21,437</u>
Change in net position	\$ (8,581)	\$ 4,597
Net position beginning of year, as restated	<u>154,596</u>	<u>32,858</u>
Net position end of year	<u><u>\$146,015</u></u>	<u><u>\$37,455</u></u>

See notes to financial statements.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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, 2020

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

B. Basis of Presentation: (continued)

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

B. Basis of Presentation: (continued)

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

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

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

The District reports the following major proprietary fund:

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

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

The District's fiduciary funds include the following:

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

The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations, and other governments.

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

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

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

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

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

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

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.

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, 2018, assessed property valuations; is for the tax accrual period July 1, 2019, through June 30, 2020, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2019.

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.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

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

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. Donated capital assets are recorded at their acquisition value as of the date received. 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.

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the District after the measurement date but before the end of the District's reporting period.

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

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

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 only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2020. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

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

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. 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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty (60) days after year end.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

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

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

Fund 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.

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 the unassigned fund balance.

E. Budgets and Budgetary Accounting

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

F. Subsequent Events

Management has evaluated for subsequent events through December 14, 2020, the date the financial statements were available to be issued. Based on that evaluation, there is one material subsequent event – See Note 12.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

Note 2: Cash and Pooled Investments

The District's deposits in banks at June 30, 2020, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds. The first \$250,000 in credit unions is covered by federal depository insurance and amounts over \$250,000 have a standby letter of credit that is pledged at the Federal Home Loan Bank (FHLB).

As of June 30, 2020, the book balance of the District's petty cash totaled \$12,470 and the cash deposit balances totaled \$42,768,155.

The District chooses to disclose its investments by specifically identifying each. The fair value of investments is based on quoted market prices and are not rated. As of June 30, 2020, the District had investments as follows:

<u>Investment</u>	<u>Type</u>	<u>Issue Date</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Fair Value</u>
DuTrac Community Credit Union	Certificate of Deposit	05/20/20	6 months	11/20/20	\$20,000,000
Dubuque Bank & Trust	Certificate of Deposit	05/22/12	134 months	07/01/23	<u>1,000,000</u>
					<u>\$21,000,000</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, 2020

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, 2019, 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	\$ 12,470
Cash deposits	42,768,155
Investments	<u>21,000,000</u>
	<u>\$63,780,625</u>
Governmental activities	\$61,693,452
Business-type activities	1,903,703
Fiduciary funds:	
Private Purpose Trust	146,015
Custodial	<u>37,455</u>
	<u>\$63,780,625</u>

Note 3: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2020, is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Student Activity	\$ 11,312
Debt Service	Capital Projects	6,656,319
General	Proprietary	281,827
Special Revenue: Student Activity	General	<u>40,262</u>
Total		<u>\$6,989,720</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, 2020

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2020, is as follows:

	Balance Beginning of Year	Increases / Reclassi- fications	(Decreases)	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,479,048	\$ 0	\$ 0	\$ 7,479,048
Construction in progress	12,397,039	1,162,884	(12,347,391)	1,212,532
Total capital assets not being depreciated	\$ 19,876,087	\$ 1,162,884	\$(12,347,391)	\$ 8,691,580
Capital assets being depreciated:				
Buildings and improvements	\$187,911,839	\$17,882,614	\$ 0	\$205,794,453
Land improvements	19,337,964	110,733	(14,853)	19,433,844
Furniture and equipment	23,277,404	1,251,241	(1,096,197)	23,432,448
Total capital assets being depreciated	\$230,527,207	\$19,244,588	\$ (1,111,050)	\$248,660,745
Less accumulated depreciation for:				
Buildings and improvements	\$ 57,957,811	\$ 4,836,269	\$ 0	\$ 62,794,080
Land improvements	8,795,742	786,399	0	9,582,141
Furniture and equipment	17,062,588	1,851,552	(1,024,385)	17,889,755
Total accumulated depreciation	\$ 83,816,141	\$ 7,474,220	\$ (1,024,385)	\$ 90,265,976
Total capital assets being depreciated, net	\$146,711,066	\$11,770,368	\$ (86,665)	\$158,394,769
Governmental activities capital assets, net	\$166,587,153	\$12,933,252	\$(12,434,056)	\$167,086,349
Business-type Activities:				
Furniture and equipment	\$ 1,355,949	\$ 195,560	\$ (120,397)	\$ 1,431,112
Less accumulated depreciation	1,127,731	39,584	(63,679)	1,103,636
Business-type activities capital assets, net	\$ 228,218	\$ 155,976	\$ (56,718)	\$ 327,476

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

Note 4: Capital Assets: (continued)

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 68,574
Special	8,789
Other	75,190

Support services:

Student services	3,156
Instructional staff	16,985
Administration	568,440
Operation and maintenance of plant	28,044
Transportation	789,316
Non-instructional programs	2,123

\$1,560,617

Unallocated depreciation

5,913,603

Total governmental activities depreciation expense

\$7,474,220

Business-type activities:

Food services:

Regular depreciation	<u>\$ 39,584</u>
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Note 5: Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2020, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 68,914,000	\$ 9,058,000	\$14,824,000	\$ 63,148,000	\$5,084,000
Compensated absences	661,127	783,506	661,127	783,506	783,506
Net pension liability	64,864,544	59,510,658	64,864,544	59,510,658	0
Net OPEB liability	9,930,512	6,170,557	4,059,100	12,041,969	0
	<u>\$144,370,183</u>	<u>\$75,522,721</u>	<u>\$84,408,771</u>	<u>\$135,484,133</u>	<u>\$5,867,506</u>
Business type activities:					
Net pension liability	\$ 1,602,069	\$ 1,476,031	\$ 1,602,069	\$ 1,476,031	\$ 0
Net OPEB liability	348,049	198,641	159,038	387,652	0
	<u>\$ 1,950,118</u>	<u>\$ 1,674,672</u>	<u>\$ 1,761,107</u>	<u>\$ 1,863,683</u>	<u>\$ 0</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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, 2020, is as follows:

Summary – Debt Service Requirements to Maturity			
Year Ending June 30	Principal	Interest	Total
2021	\$ 5,084,000	\$ 1,704,715	\$ 6,788,715
2022	5,093,000	1,580,397	6,673,397
2023	5,215,000	1,454,549	6,669,549
2024	4,689,000	1,329,963	6,018,963
2025	5,521,000	1,200,550	6,721,550
2026-2030	37,546,000	3,632,637	41,178,637
	<u>\$63,148,000</u>	<u>\$10,902,811</u>	<u>\$74,050,811</u>

Details of the District's June 30, 2020, school infrastructure sales, services and use tax revenue refunding bond indebtedness are as follows:

Series 2014 Bonds				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
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
2026-2030	3.15%	4,400,000	277,200	4,677,200
		<u>\$9,900,000</u>	<u>\$1,403,325</u>	<u>\$11,303,325</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

Note 5: Long-term Liabilities: (continued)

Series 2015 Bonds

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2021	3.25%	\$ 0	\$ 580,250	\$ 580,250
2022	3.25%	0	580,250	580,250
2023	3.25%	0	580,250	580,250
2024	3.25%	0	580,250	580,250
2025	3.25%	0	580,250	580,250
2026-2030	3.25%-4.00%	15,960,000	2,497,400	18,457,400
		<u>\$15,960,000</u>	<u>\$5,398,650</u>	<u>\$21,358,650</u>

Series 2016 Bonds

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2021	2.17%	\$ 285,000	\$ 209,025	\$ 494,025
2022	2.17%	325,000	202,407	527,407
2023	2.17%	365,000	194,920	559,920
2024	2.17%	1,340,000	176,421	1,516,421
2025	2.17%	1,770,000	142,678	1,912,678
2026-2030	2.17%	5,690,000	188,139	5,878,139
		<u>\$9,775,000</u>	<u>\$1,113,590</u>	<u>\$10,888,590</u>

Series 2017 Bonds

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2021	2.25%	\$1,025,000	\$190,969	\$1,215,969
2022	2.25%	1,045,000	167,681	1,212,681
2023	2.25%	1,070,000	143,888	1,213,888
2024	2.25%	1,095,000	119,531	1,214,531
2025	2.25%	1,130,000	94,500	1,224,500
2026-2030	2.25%	3,635,000	124,593	3,759,593
		<u>\$9,000,000</u>	<u>\$841,162</u>	<u>\$9,841,162</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

Note 5: Long-term Liabilities: (continued)

Series 2018A Bonds

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2021	2.95%	\$ 412,515	\$154,838	\$ 567,353
2022	2.95%	412,515	142,669	555,184
2023	2.95%	424,053	130,329	554,382
2024	2.95%	637,522	114,671	752,193
2025	2.95%	484,632	98,119	582,751
2026-2030	2.95%	3,083,763	261,808	3,345,571
		<u>\$5,455,000</u>	<u>\$902,434</u>	<u>\$6,357,434</u>

Series 2018B Bonds

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2021	2.95%	\$ 302,485	\$113,538	\$ 416,023
2022	2.95%	302,485	104,615	407,100
2023	2.95%	310,947	95,567	406,514
2024	2.95%	467,478	84,085	551,563
2025	2.95%	355,368	71,948	427,316
2026-2030	2.95%	2,261,237	191,977	2,453,214
		<u>\$4,000,000</u>	<u>\$661,730</u>	<u>\$4,661,730</u>

Series 2019 Bonds

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2021	2.00%	\$1,959,000	\$161,570	\$2,120,570
2022	2.00%	1,908,000	122,900	2,030,900
2023	2.00%	1,945,000	84,370	2,029,370
2024	2.00%	49,000	64,430	113,430
2025	2.00%	681,000	57,130	738,130
2026-2030	2.00%	2,516,000	91,520	2,607,520
		<u>\$9,058,000</u>	<u>\$581,920</u>	<u>\$9,639,920</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

Note 5: Long-term Liabilities: (continued)

The District has pledged future statewide sales, services and use tax revenues to repay the \$63,148,000 of bonds issued in March 2014, January 2015, December 2016, December 2017, October 2018 and December 2019.

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

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

In December 2016, the District issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2016 for the purpose of providing funds for renovations, improvements, and additions to Hempstead High School, renovations to Senior High School and/or other school infrastructure projects as authorized by the electors.

In December 2017, the District issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2017, for the purpose of providing funds for renovations and improvements to Senior High School as authorized by the electors.

In October 2018, the District issued \$9,455,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2018A and 2018B, for the purpose of providing funds for renovations and improvements to Senior High School and improvements to the Alta Vista Campus.

In December 2019, the District issued \$9,058,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, Series 2019, for the purpose of refunding the May 2012 and June 2013 School Infrastructure Sales, Services and Use Tax Revenue Bonds in order to realize debt service savings due to lower interest rates payable on the refunding bonds.

The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require a large percentage of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$74,050,811.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

Note 5: Long-term Liabilities: (continued)

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

- a) \$1,596,000 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, 2020.

During the year ended June 30, 2020, the District made interest payments totaling \$1,915,181.

Note 6: Pension Plan and Retirement Benefits

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

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

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

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

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

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

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

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

In FY 2019-20, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2020, totaled \$7,882,061.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the District reported a liability of \$60,986,689 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the District's proportion was 1.046163%, which was a decrease of 0.004484% over its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$11,173,006. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 169,072	\$ 2,192,764
Changes of assumptions	6,532,546	0
Net difference between projected and actual earnings on IPERS' investments	2,883,016	9,755,483
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	183,730	1,033,113
District contributions subsequent to the measurement date	<u>7,882,061</u>	<u>0</u>
Total	<u>\$17,650,425</u>	<u>\$12,981,360</u>

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

\$7,882,061 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2021	\$ 987,060
2022	(1,811,921)
2023	(1,116,461)
2024	(1,123,426)
2025	<u>(148,248)</u>
Total	<u><u>\$(3,212,996)</u></u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	5.60%
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	<u>3.0</u>	3.01
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$108,292,673	\$60,986,689	\$21,306,950

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

Payables to IPERS – At June 30, 2020, the District reported payables to IPERS of \$0 for legally required District contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

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

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

The cost of early retirements expected to be liquidated currently, are recorded as a liability of the special revenue – management levy fund. At June 30, 2020, the District has obligations to twenty-two (22) participants with a total accrued liability of \$252,910. These early retirement benefits will be paid July 1, 2020.

Early retirement benefits paid during the year ended June 30, 2020, totaled \$1,180,664.

Note 7: Other Post-employment Benefits (OPEB)

Plan Description – The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by the District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	70
Active employees	<u>1,437</u>
Total	<u>1,507</u>

Total OPEB Liability – The District’s total OPEB liability of \$12,429,621 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	2.60% per annum.
Rates of salary increase (effective June 30, 2020)	3.25%-16.25% average depending upon years of service, including inflation.
Discount rate (effective June 30, 2020)	3.50% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2020)	(1.80%) initial rate. Medical inflation was based on the “Getzen” model published by the Society of Actuaries for purposes of evaluating long-term medical trend. Under the Patient Protection and Affordable Care Act of 2010, a federal excise tax will apply for high-cost health plans beginning in 2020. A margin to reflect the impact of the excise tax in future years is reflected in the assumed trend. The following tables show the trend rates used in this valuation.

Year	Annual Medical Trend Rate Pre-65
2019	(1.80)%
2020	6.40
2021	5.70
2022	5.00
2023	4.90
2024	4.80
2025	4.70
2030	4.70
2040	5.40
2050	5.10
2060	4.80
2070	4.20
Ultimate (2074)	3.90

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

Discount Rate – The discount rate used to measure the total OPEB liability was 3.50% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RPH-2019 total dataset mortality table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$10,278,561</u>
Changes for the year:	
Service cost	770,622
Interest	411,593
Effect on plan changes	519,357
Effect of assumptions, changes or inputs	4,667,626
Changes in assumptions	(3,382,798)
Benefit payments	<u>(835,340)</u>
Net changes	<u>2,151,060</u>
Total OPEB liability end of year	<u>\$12,429,621</u>

Changes of assumptions reflect a change in the discount rate from 3.58% in FY 2018-19 to 3.87% in FY 2019-20.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.50%) or 1% higher (4.50%) than the current discount rate.

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB liability	\$13,342,654	\$12,429,621	\$11,566,142

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
 – The following presents the total OPEB liability of the District as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (-2.80%) or 1% higher (-0.80%) than the current healthcare cost trend rates.

	1% Decrease (-2.80%)	Healthcare Cost Trend Rate (-1.80%)	1% Increase (-0.80%)
Total OPEB liability	\$11,303,501	\$12,429,621	\$13,766,434

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2020, the District recognized OPEB expense of \$1,703,956. At June 30, 2020, the District reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 0	\$4,240,579
Changes in assumptions	<u>3,980,157</u>	<u>0</u>
Total	<u>\$3,980,187</u>	<u>\$4,240,579</u>

The amount reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,	Amount
2021	\$ 2,384
2022	2,384
2023	2,384
2024	2,384
2025	2,384
Thereafter *	<u>248,472</u>
	<u>\$260,392</u>

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

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 \$5,239,713 for the year ended June 30, 2020, and is recorded in the general fund by making a memorandum adjusting entry to the financial statements.

Note 10: Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entity

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Dubuque offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2020, under agreements entered into by the following entity:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Dubuque	Urban renewal and economic development projects	\$1,031,290
Dubuque County	Urban renewal and economic development projects	5,643

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

Note 10: Tax Abatements: (continued)

The State of Iowa reimburses the district an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2020, this reimbursement amounted to \$450,975.

Note 11: Construction Commitments

On March 9, 2020, the District signed a \$2,000,000 contract for architect services for Senior Phase II at Dubuque Senior High School. As of June 30, 2020, no change orders have been added to the project. Funding will come from the sales tax fund. As of June 30, 2020, \$148,010 had been paid on the contract.

On March 9, 2020, the District signed an \$1,486,000 contract for the Alta Vista Campus Vocational Technology Classroom Addition. As of June 30, 2020, no change orders have been added to the project. Funding will come from the sales tax fund. As of June 30, 2020, \$413,618 had been paid on the contract.

On February 10, 2020, the District signed a \$281,000 contract for the Hempstead Kitchen Serving Equipment Replacement. As of June 30, 2020, no change orders have been added to the project. Funding will come from the physical plant and equipment levy fund and nutrition fund. As of June 30, 2020, \$0 had been paid on the contract.

Note 12: Subsequent Event

In July 2020, the District issued \$24,085,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, for the purpose of providing funds to refund outstanding sales tax indebtedness dated March 31, 2014 and January 12, 2015, including costs of issuance and a debt service reserve fund. Any bond proceeds remaining after refunding will be used to pay the costs of providing funds for preliminary design work for renovation projects at Dubuque Senior High School (Phase II).

Note 13: Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

Note 13: Categorical Funding: (continued)

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2020.

Program	Amount
Professional development	\$ 685,068
Four-year-old preschool state aid	211,147
Successful progression for early readers	139,550
Professional development for model core curriculum	134,293
Textbook aid for non-public students	46,387
Talented and gifted	40,727
Market factor incentives	<u>1,856</u>
Total	<u>\$1,259,028</u>

Note 14: Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during FY 2019-20. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning net position for fiduciary funds was restated to retroactively report the change in net position, as follows:

	<u>Fiduciary Activities</u>
Net position June 30, 2019, as previously reported	\$ 0
Change to implement GASBS No. 84	<u>32,858</u>
Net position July 1, 2019, as restated	<u>\$32,858</u>

Note 15: New Governmental Accounting Standards Board (GASB) Statements

The District implemented the following statements:

- The GASB issued Statement 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. See Note 14, Accounting Change/Restatement.

Dubuque Community School District

Notes to Financial Statements

June 30, 2020

Note 15: New Governmental Accounting Standards Board (GASB) Statements: (continued)

The Governmental Accounting Standards Board (GASB) has issued statements not yet implemented by the District. The statements which might impact the District, are as follows:

- The GASB issued Statement 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021, and all reporting periods thereafter.
- The GASB issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2020.
- The GASB issued Statement 90, *Majority Equity Interests – an Amendment of GASB Statements 14 and 61* in August 2018. This Statement modifies previous guidance for reporting government's majority equity interest in a legally separate organization. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The requirements of this Statement are effective for periods beginning after December 15, 2019.
- The GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2021.

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, 2020

	Actual Amounts			Budgeted Amounts		
	Governmental Funds	Proprietary Fund	Total	Original	Amended	Final to Actual Variance
Revenues:						
Local sources	\$ 60,760,705	\$1,656,985	\$ 62,417,690	\$ 64,048,533	\$ 64,048,533	\$(1,630,843)
State sources	85,653,106	42,038	85,695,144	86,790,773	86,790,773	(1,095,629)
Federal sources	5,971,700	3,219,041	9,190,741	10,498,000	10,498,000	(1,307,259)
Total revenues	\$152,385,511	\$4,918,064	\$157,303,575	\$161,337,306	\$161,337,306	\$(4,033,731)
Expenditures:						
Instruction	\$ 91,711,923	\$ 0	\$ 91,711,923	\$ 96,748,345	\$ 94,248,345	\$ 2,536,422
Support services	45,257,065	0	45,257,065	41,980,000	46,980,000	1,722,935
Non-instructional programs	35,998	4,948,700	4,984,698	5,741,900	5,741,900	757,202
Other expenditures	30,087,561	0	30,087,561	18,698,768	31,698,768	1,611,207
Total expenditures	\$167,092,547	\$4,948,700	\$172,041,247	\$163,169,013	\$178,669,013	\$ 6,627,766
Excess (deficiency) of revenues over expenditures	\$ (14,707,036)	\$ (30,636)	\$(14,737,672)	\$ (1,831,707)	\$(17,331,707)	\$ 2,594,035
Other financing sources, net	9,644,901	(281,827)	9,363,074	70,000	70,000	9,293,074
Excess (deficiency) of revenues and other financing sources over expenditures	\$ (5,062,135)	\$ (312,463)	\$ (5,374,598)	\$ (1,761,707)	\$(17,261,707)	\$11,887,109
Balances beginning of year	53,044,638	835,204	53,879,842	47,968,171	47,968,171	5,911,671
Balances end of year	\$ 47,982,503	\$ 522,741	\$ 48,505,244	\$ 46,206,464	\$ 30,706,464	\$17,798,780

See accompanying independent auditor's report.

Dubuque Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year Ended June 30, 2020

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 custodial 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 \$15,500,000.

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

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	1.046163%	1.050647%	1.048999%	1.075217%	1.093194%	1.044018%
District's proportionate share of the net pension liability	\$60,986,689	\$66,466,613	\$69,251,718	\$67,053,235	\$54,347,570	\$42,252,286
District's covered-employee payroll	\$83,496,410	\$80,151,805	\$78,941,118	\$77,602,466	\$76,461,891	\$75,363,092
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	73.04%	82.93%	87.73%	86.41%	71.08%	56.06%
Plan fiduciary net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

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

See accompanying independent auditor's report.

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

	2020	2019	2018	2017
Statutorily required contribution	\$ 7,882,061	\$7,566,330	\$ 7,049,442	\$ 6,929,900
Contributions in relation to the statutorily required contribution	(7,882,061)	(7,566,330)	(7,049,442)	(6,929,900)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$83,496,410	\$80,151,805	\$78,941,118	\$77,602,466
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	8.93%	8.93%

See accompanying independent auditor's report.

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

2016	2015	2014	2013	2012	2011
\$ 6,830,726	\$ 6,729,926	\$ 6,225,569	\$ 5,734,626	\$ 5,218,342	\$ 4,466,474
(6,830,726)	(6,729,926)	(6,225,569)	(5,734,626)	(5,218,342)	(4,466,474)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$76,461,891	\$75,363,092	\$69,715,216	\$66,143,315	\$64,684,349	\$64,287,186
8.93%	8.93%	8.93%	8.67%	8.07%	6.95%

Dubuque Community School District
Notes to Required Supplementary Information – Pension Liability
Year Ended June 30, 2020

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

Dubuque Community School District

**Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes
for the Last Three Years**

Required Supplementary Information

June 30, 2020

	2020	2019	2018
Service cost	\$ 770,622	\$ 850,081	\$ 920,864
Interest cost	411,593	387,720	317,249
Effect on plan changes	519,357	0	0
Effect of assumptions, changes or inputs	4,667,626	0	0
Changes in assumptions	(3,382,798)	(545,824)	(654,577)
Benefit payments	(835,340)	(780,136)	(849,000)
Net change in total OPEB liability	\$ 2,151,060	(88,159)	(265,464)
Total OPEB liability beginning of year	\$10,278,561	10,366,720	10,632,184
Total OPEB liability end of year	<u>\$12,429,621</u>	<u>\$10,278,561</u>	<u>\$10,366,720</u>
Covered employee payroll	\$83,496,410	\$80,151,805	\$78,941,118
Total OPEB liability as a percentage of covered- employee payroll	14.89%	12.82%	13.13%

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	2.85%

Note: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

See accompanying independent auditor's report.

Other Supplementary Information

Dubuque Community School District

Nonmajor Governmental Funds

June 30, 2020

Nonmajor Governmental Funds

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

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

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

Dubuque Community School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

	Special Revenue			
	Management Levy	Student Activity	Debt Service	Total
Assets				
Cash	\$ 7,133,530	\$837,591	\$7,710,966	\$15,682,087
Receivables:				
Property tax:				
Delinquent	71,116	0	0	71,116
Succeeding year	3,500,000	0	0	3,500,000
Interest	0	0	9,676	9,676
Total assets	\$10,704,646	\$837,591	\$7,720,642	\$19,262,879
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 0	\$ 26,627	\$ 0	\$ 26,627
Early retirement payable	252,910	0	0	252,910
Total liabilities	\$ 252,910	\$ 26,627	\$ 0	\$ 279,537
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	\$ 3,500,000	\$ 0	\$ 0	\$ 3,500,000
Other	43,257	0	0	43,257
Total deferred inflows of resources	\$ 3,543,257	\$ 0	\$ 0	\$ 3,543,257
Fund balances:				
Restricted for:				
Debt service	\$ 0	\$ 0	\$7,720,642	\$ 7,720,642
Management levy purposes	6,908,479	0	0	6,908,479
Student activities	0	810,964	0	810,964
Total fund balances	\$ 6,908,479	\$810,964	\$7,720,642	\$15,440,085
Total liabilities, deferred inflows of resources and fund balances	\$10,704,646	\$837,591	\$7,720,642	\$19,262,879

See accompanying independent auditor's report.

Dubuque Community School District

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

Nonmajor Governmental Funds

Year Ended June 30, 2020

	Special Revenue			
	Management Levy	Student Activity	Debt Service	Total
Revenues:				
Local sources:				
Local tax	\$3,474,646	\$ 0	\$ 0	\$ 3,474,646
Other	116,011	1,064,022	59,212	1,239,245
State sources	100,373	0	0	100,373
Total revenues	\$3,691,030	\$1,064,022	\$ 59,212	\$ 4,814,264
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 951,712	\$ 0	\$ 0	\$ 951,712
Other instruction	52,511	1,164,196	0	1,216,707
	\$1,004,223	\$1,164,196	\$ 0	\$ 2,168,419
Support services:				
Student services	\$ 100,274	\$ 0	\$ 0	\$ 100,274
Instructional staff services	101,953	0	0	101,953
Administration services	352,161	4,169	0	356,330
Operation and maintenance of plant services	1,635,938	2,437	0	1,638,375
Transportation services	199,197	18,466	0	217,663
	\$2,389,523	\$ 25,072	\$ 0	\$ 2,414,595
Non-instructional programs	\$ 29,496	\$ 0	\$ 0	\$ 29,496
Other expenditures:				
Debt service:				
Principal	\$ 0	\$ 0	\$ 14,824,000	\$ 14,824,000
Interest and other charges	0	0	1,974,462	1,974,462
	\$ 0	\$ 0	\$ 16,798,462	\$ 16,798,462
Total expenditures	\$3,423,242	\$1,189,268	\$ 16,798,462	\$ 21,410,972
Excess (deficiency) of revenues over (under) expenditures	\$ 267,788	\$ (125,246)	\$ (16,739,250)	\$ (16,596,708)
Other financing sources (uses):				
Revenue bonds issued	\$ 0	\$ 0	\$ 9,058,000	\$ 9,058,000
Transfers in	0	40,262	6,656,319	6,696,581
Transfers out	0	(11,312)	0	(11,312)
Total other financing sources (uses):	\$ 0	\$ 28,950	\$ 15,714,319	\$ 15,743,269
Net change in fund balances	\$ 267,788	\$ (96,296)	\$ (1,024,931)	\$ (853,439)
Fund balances beginning of year	6,640,691	907,260	8,745,573	16,293,524
Fund balances end of year	\$6,908,479	\$ 810,964	\$ 7,720,642	\$ 15,440,085

See accompanying independent auditor's report.

Dubuque Community School District

Capital Project Accounts

Capital Projects Fund

Year Ended June 30, 2020

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, 2020

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$8,822,530	\$5,587,772	\$14,410,302
Receivables:			
Property tax:			
Delinquent	0	94,386	94,386
Succeeding year	0	4,268,554	4,268,554
Interest	2,009	0	2,009
Due from other governments	910,382	0	910,382
Total assets	\$9,734,921	\$9,950,712	\$19,685,633
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 577,728	\$ 364,658	\$ 942,386
Total liabilities	\$ 577,728	\$ 364,658	\$ 942,386
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	\$ 0	\$4,268,554	\$ 4,268,554
Other	0	57,429	57,429
Total deferred inflows of resources	\$ 0	\$4,325,983	\$ 4,325,983
Fund balances:			
Restricted for:			
School infrastructure	\$9,157,193	\$ 0	\$ 9,157,193
Physical plant and equipment levy	0	5,260,071	5,260,071
Total fund balances	\$9,157,193	\$5,260,071	\$14,417,264
Total liabilities, deferred inflows of resources and fund balances	\$9,734,921	\$9,950,712	\$19,685,633

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, 2020

	Capital Projects		
	Statewide Sales, Services, and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ 0	\$4,102,073	\$ 4,102,073
Other	265,884	100,255	366,139
State sources	10,810,216	120,838	10,931,054
Total revenues	<u>\$11,076,100</u>	<u>\$4,323,166</u>	<u>\$15,399,266</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$ 2,185,102	\$ 73,801	\$ 2,258,903
	<u>\$ 2,185,102</u>	<u>\$ 73,801</u>	<u>\$ 2,258,903</u>
Support services:			
Administration services	\$ 1,896,467	\$ 102,874	\$ 1,999,341
Operation and maintenance of plant services	34,165	25,560	59,725
Transportation services	0	653,714	653,714
	<u>\$ 1,930,632</u>	<u>\$ 782,148</u>	<u>\$ 2,712,780</u>
Non-instructional programs	<u>\$ 0</u>	<u>\$ 6,226</u>	<u>\$ 6,226</u>
Other expenditures:			
Facilities acquisition	\$ 5,121,286	\$2,914,234	\$ 8,035,520
Debt service:			
Interest and other charges	13,866	0	13,866
	<u>\$ 5,135,152</u>	<u>\$2,914,234</u>	<u>\$ 8,049,386</u>
Total expenditures	<u>\$ 9,250,886</u>	<u>\$3,776,409</u>	<u>\$13,027,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,825,214</u>	<u>\$ 546,757</u>	<u>\$ 2,371,971</u>
Other financing sources (uses):			
Compensation for loss of capital assets	\$ 0	\$ 149,038	\$ 149,038
Transfers out	(6,656,319)	0	(6,656,319)
Total other financing sources (uses)	<u>\$ (6,656,319)</u>	<u>\$ 149,038</u>	<u>\$ (6,507,281)</u>
Change in fund balances	<u>\$ (4,831,105)</u>	<u>\$ 695,795</u>	<u>\$ (4,135,310)</u>
Fund balances beginning of year	13,988,298	4,564,276	18,552,574
Fund balances end of year	<u><u>\$ 9,157,193</u></u>	<u><u>\$5,260,071</u></u>	<u><u>\$14,417,264</u></u>

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2020

	Balance June 30, 2019	Revenues	Expenditures	Balance June 30, 2020
Senior High Schools:				
Alternative Learning Center	\$ 3,112	\$ 522	\$ 434	\$ 3,200
Stephen Hempstead	370,506	348,503	371,555	347,454
Dubuque Senior	339,858	335,511	363,873	311,496
Total Senior High Schools	<u>\$713,476</u>	<u>\$ 684,536</u>	<u>\$ 735,862</u>	<u>\$662,150</u>
Middle Schools:				
Jefferson	\$ 29,436	\$ 6,411	\$ 10,683	\$ 25,164
Washington	60,860	11,722	29,136	43,446
Roosevelt	52,782	18,783	34,489	37,076
Total Middle Schools	<u>\$143,078</u>	<u>\$ 36,916</u>	<u>\$ 74,308</u>	<u>\$105,686</u>
Elementary Schools:				
Audubon	\$ 1,175	\$ 22	\$ 0	\$ 1,197
Bryant	4,281	2,515	0	6,796
Eisenhower	1,514	27	0	1,541
Carver	1,744	32	0	1,776
Fulton	3,775	65	1,373	2,467
Hoover	4,962	440	1,146	4,256
Irving	10,884	3,114	1,749	12,249
Kennedy	391	7	0	398
Lincoln	476	8	336	148
Marshall	8,334	324	1,791	6,867
Prescott	535	10	0	545
Sageville	430	8	0	438
Table Mound	5,007	91	0	5,098
Total Elementary Schools	<u>\$ 43,508</u>	<u>\$ 6,663</u>	<u>\$ 6,395</u>	<u>\$ 43,776</u>
Athletic reserve	\$ (10,223)	\$ 333,892	\$ 341,627	\$ (17,958)
District instrumental music	17,421	42,223	42,334	17,310
	<u>\$ 7,198</u>	<u>\$ 376,115</u>	<u>\$ 383,961</u>	<u>\$ (648)</u>
Grand Total	<u><u>\$907,260</u></u>	<u><u>\$1,104,230</u></u>	<u><u>\$1,200,526</u></u>	<u><u>\$810,964</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, 2020

	Private Purpose Trust					
	Trust	Scholarships				
	Prescott Elementary	Dubuque Senior High School	Stephen Hempstead High School	Alternative Learning Center	District -wide	Total
Additions:						
Local sources:						
Other local sources	\$ 0	\$ 3,995	\$ 500	\$ 0	\$ 0	\$ 4,495
Interest on investments	<u>262</u>	<u>1,543</u>	<u>420</u>	<u>12</u>	<u>376</u>	<u>2,613</u>
Total revenues	<u>\$ 262</u>	<u>\$ 5,538</u>	<u>\$ 920</u>	<u>\$ 12</u>	<u>\$ 376</u>	<u>\$ 7,108</u>
Deductions:						
Instruction:						
Regular instruction:						
Other	<u>\$ 3,837</u>	<u>\$ 7,552</u>	<u>\$ 4,300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,689</u>
Change in net position	\$(3,575)	\$ (2,014)	\$ (3,380)	\$ 12	\$ 376	\$ (8,581)
Net position beginning of year	<u>16,577</u>	<u>90,102</u>	<u>26,619</u>	<u>680</u>	<u>20,618</u>	<u>154,596</u>
Net position end of year	<u>\$13,002</u>	<u>\$88,088</u>	<u>\$23,239</u>	<u>\$692</u>	<u>\$20,994</u>	<u>\$146,015</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			
	2020	2019	2018	2017
Revenues:				
Local sources:				
Local tax	\$ 55,373,651	\$ 54,352,620	\$ 52,088,173	\$ 51,125,151
Tuition	1,240,198	1,533,639	1,866,027	2,132,767
Other	4,146,856	6,065,453	5,154,425	4,476,876
State sources	85,653,106	84,382,026	84,703,581	84,387,919
Federal sources	5,971,700	6,604,662	6,582,364	6,150,614
Total revenues	<u>\$152,385,511</u>	<u>\$152,938,400</u>	<u>\$150,394,570</u>	<u>\$148,273,327</u>
Expenditures:				
Instruction:				
Regular instruction	\$ 52,367,218	\$ 50,567,509	\$ 48,443,163	\$ 47,725,537
Special instruction	25,638,122	26,999,668	26,461,319	26,117,978
Other instruction	13,706,583	14,182,943	13,913,191	14,179,608
Support services:				
Student services	7,737,274	6,994,644	6,972,980	7,226,953
Instructional staff services	5,988,182	5,501,039	5,549,043	5,336,682
Administration services	15,129,274	14,199,393	14,885,160	13,458,720
Operation and maintenance of plant services	11,741,215	13,021,257	12,229,402	11,659,699
Transportation services	4,661,120	5,304,242	5,325,698	5,140,676
Non-instructional programs	35,998	170,694	259,611	178,401
Other expenditures:				
Facilities acquisition	8,035,520	14,015,993	15,970,203	16,114,278
Debt service:				
Principal	14,824,000	3,079,000	1,975,000	1,960,000
Interest and fiscal charges	1,988,328	1,728,006	1,625,072	1,403,369
AEA flowthrough	5,239,713	5,198,347	5,191,338	5,014,640
Total expenditures	<u>\$167,092,547</u>	<u>\$160,962,735</u>	<u>\$158,801,180</u>	<u>\$155,516,541</u>

See accompanying independent auditor's report.

Dubuque Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds

For the Last Ten Years

Modified Accrual Basis					
2016	2015	2014	2013	2012	2011
\$ 45,751,376	\$ 44,918,498	\$ 45,256,554	\$ 57,952,211	\$ 59,573,803	\$ 56,970,220
2,409,264	2,571,634	2,076,227	2,364,636	2,264,001	2,146,825
4,269,622	4,461,057	4,403,650	4,149,932	3,237,573	3,523,606
82,675,004	81,462,443	74,879,014	62,706,583	62,040,783	60,409,551
6,607,619	6,277,627	6,323,012	6,852,735	7,729,416	9,393,044
\$141,712,885	\$139,691,259	\$132,938,457	\$134,026,097	\$134,845,576	\$132,443,246
\$ 49,481,686	\$ 48,744,947	\$ 45,838,993	\$ 41,180,652	\$ 40,768,416	\$ 39,582,892
25,495,256	26,651,874	24,813,653	23,533,298	22,492,388	21,727,446
13,854,651	13,763,166	13,169,530	13,080,400	12,840,284	12,144,120
6,519,760	6,655,077	6,305,561	5,492,706	5,252,695	5,034,660
6,100,106	5,788,283	5,750,601	4,602,493	3,984,983	3,566,495
14,124,857	13,506,629	12,725,816	12,389,626	12,341,464	12,875,379
11,607,416	10,785,417	9,599,256	9,057,962	8,702,928	8,406,122
4,471,942	4,724,879	5,612,731	4,277,877	4,120,582	4,003,962
152,701	188,357	156,327	364,825	135,718	155,648
5,336,369	14,428,903	25,750,982	14,520,178	4,919,944	1,471,553
1,390,000	1,130,000	4,850,000	7,600,000	7,200,000	8,710,000
1,330,143	974,063	471,005	507,785	556,069	524,654
4,981,385	4,928,817	4,723,656	4,515,012	4,496,822	4,922,517
\$144,846,272	\$152,270,412	\$159,768,111	\$141,122,814	\$127,812,293	\$123,125,448

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.

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

Revenue Capacity

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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			
	2020	2019	2018	2017
Governmental activities:				
Net investment in capital assets	\$103,938,349	\$100,266,840	\$96,224,508	\$95,329,568
Restricted	31,116,377	35,704,352	34,215,991	32,225,976
Unrestricted	(51,541,272)	(49,443,787)	(41,554,404)	(43,153,002)
Total governmental activities net position	\$ 83,513,454	\$ 86,527,405	\$88,886,095	\$84,402,542
Business-type activities:				
Net investment in capital assets	\$ 327,476	\$ 228,218	\$ 125,918	\$ 150,046
Unrestricted	195,265	606,986	328,450	(370,410)
Total business-type activities net position	\$ 522,741	\$ 835,204	\$ 454,368	\$ (220,364)
Primary government:				
Net investment in capital assets	\$104,265,825	\$100,495,058	\$96,350,426	\$95,479,614
Restricted	31,116,377	35,704,352	34,215,991	32,225,976
Unrestricted	(51,346,007)	(48,836,801)	(41,225,954)	(43,523,412)
Total primary government net position	\$ 84,036,195	\$ 87,362,609	\$89,340,463	\$84,182,178

Source: District Financial Records

Table 1

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

2016	2015	2014	2013	2012	2011
\$94,302,695	\$88,077,969	\$ 93,556,198	\$ 80,199,696	\$ 72,432,082	\$ 72,646,181
32,970,043	32,900,265	22,585,523	29,345,373	25,752,325	18,245,575
(49,108,783)	(42,281,836)	13,235,693	20,945,199	22,014,328	13,348,662
<u>\$78,163,955</u>	<u>\$78,696,398</u>	<u>\$129,377,414</u>	<u>\$130,490,268</u>	<u>\$120,198,735</u>	<u>\$104,240,418</u>
\$ 164,626	\$ 180,689	\$ 226,852	\$ 294,532	\$ 280,661	\$ 311,734
(463,766)	(558,454)	572,735	545,461	851,251	934,055
<u>\$ (299,140)</u>	<u>\$ (377,765)</u>	<u>\$ 799,587</u>	<u>\$ 839,993</u>	<u>\$ 1,131,912</u>	<u>\$ 1,245,789</u>
\$94,467,321	\$88,258,658	\$ 93,783,050	\$ 80,494,228	\$ 72,712,743	\$ 72,957,915
32,970,043	32,900,265	22,585,523	29,345,373	25,752,325	18,245,575
(49,572,549)	(42,840,290)	13,808,428	21,490,660	22,865,579	14,282,717
<u>\$77,864,815</u>	<u>\$78,318,633</u>	<u>\$130,177,001</u>	<u>\$131,330,261</u>	<u>\$121,330,647</u>	<u>\$105,486,207</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			
	2020	2019	2018	2017
Expenses:				
Governmental activities:				
Instruction	\$ 95,059,857	\$ 95,586,540	\$ 88,850,485	\$ 88,116,297
Student services	8,097,633	7,364,383	7,291,748	7,180,650
Instructional staff services	6,105,303	5,828,783	5,553,503	5,088,966
Administration services	16,240,347	15,205,104	15,207,607	12,460,130
Operation and maintenance of plant services	11,760,883	13,400,061	12,136,150	11,783,955
Transportation services	5,318,515	5,378,821	4,724,735	5,054,682
Non-instructional programs	79,056	183,930	83,212	204,787
AEA flowthrough	5,239,713	5,198,347	5,191,338	5,014,640
Interest on long-term debt	1,793,232	1,823,974	1,611,048	1,420,306
Bond costs	73,147	56,982	94,184	90,678
Other post-employment benefits	0	0	0	853,806
Depreciation (unallocated)	5,913,603	5,550,294	4,880,966	4,765,843
Total governmental activities expenses	\$155,681,289	\$155,577,219	\$145,624,976	\$142,034,740
Business-type activities:				
Nutrition services	\$ 4,948,700	\$ 5,036,945	\$ 4,784,514	\$ 5,503,873
Total business-type activities expenses	\$ 4,948,700	\$ 5,036,945	\$ 4,784,514	\$ 5,503,873
Total primary government expenses	\$160,629,989	\$160,614,164	\$150,409,490	\$147,538,613

Source: District Financial Records

(Continued on the following page.)

Table 2

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

2016	2015	2014	2013	2012	2011
\$ 87,389,442	\$ 87,066,710	\$ 83,984,002	\$ 77,755,484	\$ 76,200,554	\$ 73,398,582
6,382,523	6,457,946	6,306,779	5,505,944	5,262,498	4,916,281
6,176,257	5,650,117	5,750,601	4,602,597	3,988,500	3,582,091
14,132,095	13,683,311	13,236,921	12,281,517	11,285,684	12,704,945
11,698,648	10,753,161	9,684,699	9,102,217	8,800,056	8,123,156
4,841,702	4,906,348	4,981,110	4,420,179	4,040,587	3,511,033
160,756	184,930	159,179	364,825	134,228	157,526
4,981,385	4,928,817	4,723,656	4,515,012	4,496,822	4,922,517
1,329,248	1,148,530	406,017	344,756	317,750	487,800
7,750	293,111	116,998	166,710	143,819	1,000
1,073,418	1,142,693	911,203	777,152	1,432,116	1,380,724
4,234,139	3,900,066	3,938,398	4,243,202	3,110,181	2,259,167
\$142,407,363	\$140,115,740	\$134,199,563	\$124,079,595	\$119,212,795	\$115,444,822
\$ 5,267,411	\$ 4,988,071	\$ 4,983,100	\$ 5,014,578	\$ 4,829,167	\$ 4,609,057
\$ 5,267,411	\$ 4,988,071	\$ 4,983,100	\$ 5,014,578	\$ 4,829,167	\$ 4,609,057
\$147,674,774	\$145,103,811	\$139,182,663	\$129,094,173	\$124,041,962	\$120,053,879

Table 2

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

(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 3,097,941	\$ 3,880,261	\$ 4,244,528	\$ 4,859,461
Support services	57,261	72,675	75,696	64,598
Operating grants and contributions	23,707,633	24,333,425	24,295,563	23,956,058
Capital grants and contributions	0	1,000,000	0	0
Total governmental activities program revenues	\$ 26,862,835	\$ 29,286,361	\$ 28,615,787	\$ 28,880,117
Business-type activities:				
Charges for services:				
Nutrition services	\$ 1,611,820	\$ 2,223,522	\$ 2,330,063	\$ 2,278,192
Operating grants and contributions	3,261,079	3,417,676	3,403,623	3,295,236
Total business-type program revenues	\$ 4,872,899	\$ 5,641,198	\$ 5,733,686	\$ 5,573,428
Total primary government program revenues	\$ 31,735,734	\$ 34,927,559	\$ 34,349,473	\$ 34,453,545
Net (expense) revenue:				
Governmental activities	\$(128,818,454)	\$(126,290,858)	\$(117,009,189)	\$(113,154,623)
Business-type activities	(75,801)	604,253	949,172	69,555
Total primary government net expense	\$(128,894,255)	\$(125,686,605)	\$(116,060,017)	\$(113,085,068)

Source: District Financial Records

Table 2

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

2016	2015	2014	2013	2012	2011
\$ 4,920,920	\$ 5,037,413	\$ 4,465,125	\$ 4,900,867	\$ 4,441,216	\$ 4,481,908
50,840	54,977	50,924	38,310	39,417	35,099
23,910,881	23,329,640	19,919,287	19,679,045	20,298,874	22,162,557
0	0	0	0	0	61,864
\$ 28,882,641	\$ 28,422,030	\$ 24,435,336	\$ 24,618,222	\$ 24,779,507	\$ 26,741,428
\$ 2,311,069	\$ 2,472,084	\$ 2,421,620	\$ 2,403,562	\$ 2,471,310	\$ 2,505,477
3,191,161	2,758,432	2,667,519	2,590,171	2,517,574	2,362,623
\$ 5,502,230	\$ 5,230,516	\$ 5,089,139	\$ 4,993,733	\$ 4,988,884	\$ 4,868,100
\$ 34,384,871	\$ 33,652,546	\$ 29,524,475	\$ 29,611,955	\$ 29,768,391	\$ 31,609,528
\$(113,524,722)	\$(111,693,710)	\$(109,764,227)	\$(99,461,373)	\$(94,433,288)	\$(88,703,394)
234,819	242,445	106,039	(20,845)	159,717	259,043
\$(113,289,903)	\$(111,451,265)	\$(109,658,188)	\$(99,482,218)	\$(94,273,571)	\$(88,444,351)

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			
	2020	2019	2018	2017
Net (expenses) revenue:				
Governmental activities	\$(128,818,454)	\$(126,290,858)	\$(117,009,189)	\$(113,154,623)
Business-type activities	(75,801)	604,253	949,172	69,555
Total primary government net expense	\$(128,894,255)	\$(125,686,605)	\$(116,060,017)	\$(113,085,068)
General revenues and other changes in net position:				
Governmental activities:				
Property tax levied for general purposes	\$ 51,271,578	\$ 50,309,151	\$ 48,216,727	\$ 47,334,594
Property tax levied for capital outlay	4,102,073	4,047,719	3,871,447	3,790,557
Local option sales tax	10,810,216	10,777,769	9,831,721	10,138,685
Unrestricted state grants	57,325,777	56,228,199	57,579,981	56,993,386
Investment earnings	877,209	1,533,873	757,317	380,625
Miscellaneous	1,135,823	755,328	1,521,590	755,363
Transfers	281,827	280,129	280,464	0
Total governmental activities	\$ 125,804,503	\$ 123,932,168	\$ 122,059,247	\$ 119,393,210
Business-type activities:				
Investment earnings	\$ 45,165	\$ 56,712	\$ 25,880	\$ 9,221
Transfers	(281,827)	(280,129)	(280,464)	0
Total business-type activities	\$ (236,662)	\$ (223,417)	\$ (254,584)	\$ 9,221
Change in net position:				
Governmental activities	\$ (3,013,951)	\$ (2,358,690)	\$ 5,050,058	\$ 6,238,587
Business-type activities	(312,463)	380,836	694,588	78,776
Total primary government	\$ (3,326,414)	\$ (1,977,854)	\$ 5,744,646	\$ 6,317,363

Source: District Financial Records

Table 3

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

2016	2015	2014	2013	2012	2011
\$(113,524,722)	\$(111,693,710)	\$(109,764,227)	\$(99,461,373)	\$(94,430,288)	\$(88,703,394)
234,819	242,445	106,039	(20,845)	159,717	259,043
\$(113,289,903)	\$(111,451,265)	\$(109,658,188)	\$(99,482,218)	\$(94,270,571)	\$(88,444,351)
\$ 42,164,620	\$ 41,351,887	\$ 41,857,102	\$ 42,464,403	\$ 45,002,685	\$ 43,385,106
3,586,757	4,346,610	3,399,452	3,297,757	3,135,590	3,006,514
10,149,186	10,038,752	8,974,360	12,190,050	11,435,526	10,578,600
55,500,389	54,664,713	52,932,505	50,568,860	49,804,874	47,873,056
304,274	155,764	139,790	369,289	455,973	539,547
1,125,018	711,503	1,199,912	595,896	281,764	318,999
162,035	163,677	148,252	266,651	275,196	287,054
\$ 112,992,279	\$ 111,432,906	\$ 108,651,373	\$ 109,752,906	\$ 110,391,608	\$ 105,988,876
\$ 5,841	\$ 2,256	\$ 1,807	\$ 2,582	\$ 6,034	\$ 13,222
(162,035)	(163,677)	(148,252)	(273,656)	(279,628)	(287,054)
\$ (156,194)	\$ (161,421)	\$ (146,445)	\$ (271,074)	\$ (273,594)	\$ (273,832)
\$ (532,443)	\$ (260,804)	\$ (1,112,854)	\$ 10,291,533	\$ 15,958,320	\$ 17,285,482
78,625	81,024	(40,406)	(291,919)	(113,877)	(14,789)
\$ (453,818)	\$ (179,780)	\$ (1,153,260)	\$ 9,999,614	\$ 15,844,443	\$ 17,270,693

Table 4

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

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
General Fund:				
Nonspendable	\$ 341,799	\$ 372,545	\$ 350,242	\$ 430,051
Restricted	1,259,028	858,254	1,020,411	836,941
Unassigned	16,524,327	16,967,741	16,611,997	14,961,447
Total General Fund	\$18,125,154	\$18,198,540	\$17,982,650	\$16,228,439
All other governmental funds:				
Restricted	\$29,857,349	\$34,846,098	\$33,195,580	\$31,389,035
Total all other governmental funds	\$29,857,349	\$34,846,098	\$33,195,580	\$31,389,035
Total all governmental funds	\$47,982,503	\$53,044,638	\$51,178,230	\$47,617,474

Source: *District Financial Records*

Table 4

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

2016	2015	2014	2013	2012	2011
\$ 410,272	\$ 444,900	\$ 534,198	\$ 551,464	\$ 626,239	\$ 644,808
1,045,379	1,324,944	1,377,816	1,463,431	1,398,368	1,894,368
10,999,777	12,813,922	20,055,617	26,768,208	26,932,135	16,911,942
\$12,455,428	\$14,583,766	\$21,967,631	\$28,783,103	\$28,956,742	\$19,451,118
\$31,924,664	\$32,233,090	\$21,207,707	\$27,881,942	\$24,353,957	\$16,354,207
\$31,924,664	\$32,233,090	\$21,207,707	\$27,881,942	\$24,353,957	\$16,354,207
\$44,380,092	\$46,816,856	\$43,175,338	\$56,665,045	\$53,310,699	\$35,805,325

Table 5

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
Local sources:				
Local tax	\$ 55,373,651	\$ 54,352,620	\$ 52,088,173	\$ 51,125,151
Tuition	1,240,198	1,533,639	1,866,027	2,132,767
Other	4,146,856	6,065,453	5,154,425	4,476,876
Total local sources	\$ 60,760,705	\$ 61,951,712	\$ 59,108,625	\$ 57,734,794
State sources:				
State sources	\$ 85,653,106	\$ 84,382,026	\$ 84,703,581	\$ 84,387,919
Total state sources	\$ 85,653,106	\$ 84,382,026	\$ 84,703,581	\$ 84,387,919
Federal sources:				
Federal sources	\$ 5,971,700	\$ 6,604,662	\$ 6,582,364	\$ 6,150,614
Total federal sources	\$ 5,971,700	\$ 6,604,662	\$ 6,582,364	\$ 6,150,614
Total governmental funds revenue	\$152,385,511	\$152,938,400	\$150,394,570	\$148,273,327

Source: District Financial Records

Table 5

Dubuque Community School District
Governmental Funds Revenue
Last Ten Years

2016	2015	2014	2013	2012	2011
\$ 45,751,376	\$ 44,918,498	\$ 45,256,554	\$ 57,952,211	\$ 59,573,803	\$ 56,970,220
2,409,264	2,571,634	2,076,227	2,364,636	2,264,001	2,146,825
4,269,622	4,461,057	4,403,650	4,149,932	3,237,573	3,523,607
\$ 52,430,262	\$ 51,951,189	\$ 51,736,431	\$ 64,466,779	\$ 65,075,377	\$ 62,640,652
\$ 82,675,004	\$ 81,462,443	\$ 74,879,014	\$ 62,706,583	\$ 62,040,783	\$ 60,409,551
\$ 82,675,004	\$ 81,462,443	\$ 74,879,014	\$ 62,706,583	\$ 62,040,783	\$ 60,409,551
\$ 6,607,619	\$ 6,277,627	\$ 6,323,012	\$ 6,852,735	\$ 7,729,416	\$ 9,393,044
\$ 6,607,619	\$ 6,277,627	\$ 6,323,012	\$ 6,852,735	\$ 7,729,416	\$ 9,393,044
\$141,712,885	\$139,691,259	\$132,938,457	\$134,026,097	\$134,845,576	\$132,443,247

Table 6

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Local sources					
Taxes	\$ 47,796,932	\$ 47,302,973	\$ 45,213,543	\$ 45,333,577	\$ 40,664,356
Tuition	1,240,198	1,533,639	1,866,027	2,132,767	2,409,264
Transportation	57,261	72,675	75,696	64,598	50,840
Interest	407,398	652,739	361,468	153,319	122,836
Student activities	114,035	133,653	137,769	140,750	160,673
Other local revenues	1,962,778	1,686,111	1,923,734	1,714,932	1,474,762
Subtotal local revenue	\$ 51,578,602	\$ 51,381,790	\$ 49,578,237	\$ 49,539,943	\$ 44,882,731
State sources					
State foundation aid	\$ 54,456,408	\$ 53,636,551	\$ 55,028,233	\$ 54,250,621	\$ 53,060,023
AEA flowthrough	5,239,713	5,198,347	5,191,338	5,014,640	4,981,385
Other state revenue	14,925,558	14,555,228	14,425,372	14,781,660	14,286,858
Subtotal state revenue	\$ 74,621,679	\$ 73,390,126	\$ 74,644,943	\$ 74,046,921	\$ 72,328,266
Federal sources					
Title I	\$ 2,102,475	\$ 1,936,675	\$ 2,235,477	\$ 1,940,671	\$ 2,113,675
Other federal revenue	3,869,225	4,667,987	4,346,887	4,209,943	4,493,944
Subtotal federal revenue	\$ 5,971,700	\$ 6,604,662	\$ 6,582,364	\$ 6,150,614	\$ 6,607,619
Other sources	\$ 449,175	\$ 367,000	\$ 402,070	\$ 119,789	\$ 221,127
Total revenue	\$132,621,156	\$131,743,578	\$131,207,614	\$129,857,267	\$124,039,743

Source: *District Financial Records*

Table 6

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

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

Table 7

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

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
Instruction	\$ 91,711,923	\$ 91,750,120	\$ 88,817,673	\$ 88,023,123
Student services	7,737,274	6,994,644	6,972,980	7,226,953
Instructional staff services	5,988,182	5,501,039	5,549,043	5,336,682
Administration services	15,129,274	14,199,393	14,885,160	13,458,720
Operation and maintenance of plant services	11,741,215	13,021,257	12,229,402	11,659,699
Transportation services	4,661,120	5,304,242	5,325,698	5,140,676
Non-instructional services	35,998	170,694	259,611	178,401
Facilities acquisition	8,035,520	14,015,993	15,970,203	16,114,278
Debt service:				
Principal	14,824,000	3,079,000	1,975,000	1,960,000
Interest	1,915,181	1,671,024	1,530,888	1,312,691
AEA flowthrough	5,239,713	5,198,347	5,191,338	5,014,640
Other	73,147	56,982	94,184	90,678
Total expenditures	\$167,092,547	\$160,962,735	\$158,801,180	\$155,516,541
Debt service as a percentage of noncapital expenditures	10.53%	3.25%	2.48%	2.38%

Source: District Financial Records

Notes: The District refinanced a portion of its bonds payable in fiscal year 2020. 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

2016	2015	2014	2013	2012	2011
\$ 88,831,593	\$ 89,159,987	\$ 83,822,176	\$ 77,794,350	\$ 76,101,088	\$ 73,454,458
6,519,760	6,655,077	6,305,561	5,492,706	5,252,695	5,034,660
6,100,106	5,788,283	5,750,601	4,602,493	3,984,983	3,566,495
14,124,857	13,506,629	12,725,816	12,389,626	12,341,464	12,875,379
11,607,416	10,785,417	9,599,256	9,057,962	8,702,928	8,406,122
4,471,942	4,724,879	5,612,731	4,277,877	4,120,582	4,003,962
152,701	188,357	156,327	364,825	135,718	155,648
5,336,369	14,428,903	25,750,982	14,520,178	4,919,944	1,471,553
1,390,000	1,130,000	4,850,000	7,600,000	7,200,000	8,710,000
1,322,393	680,952	354,007	341,075	412,250	523,617
4,981,385	4,928,817	4,723,656	4,515,012	4,496,822	4,922,517
7,750	293,111	116,998	166,710	143,819	1,037
\$144,846,272	\$152,270,412	\$159,768,111	\$141,122,814	\$127,812,293	\$123,125,448
1.96%	1.32%	3.93%	6.35%	6.31%	7.72%

Table 8

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

(modified basis of accounting)
(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
Instruction:				
Regular	\$ 49,156,603	\$ 48,586,467	\$ 47,394,418	\$ 47,071,849
Special	25,638,122	26,999,668	26,366,029	26,076,191
Other	12,489,876	12,586,655	12,264,057	12,387,033
Total Instruction	\$ 87,284,601	\$ 88,172,790	\$ 86,024,504	\$ 85,535,073
Student Support Services:				
Attendance and social work	\$ 2,392,011	\$ 1,597,542	\$ 1,616,276	\$ 1,059,087
Guidance services	3,049,108	2,930,829	3,069,799	3,040,103
Health and psychological services	1,788,407	1,725,519	1,647,508	1,622,658
Speech, pathology, & audiology	407,474	407,033	426,901	374,330
Total Student Support Services	\$ 7,637,000	\$ 6,660,923	\$ 6,760,484	\$ 6,096,178
Staff Instruction Services:				
Improvement of instruction	\$ 2,516,369	\$ 2,653,567	\$ 2,423,340	\$ 2,057,115
Library media	2,509,752	2,498,818	2,482,720	2,474,035
Instruction-related technology	753,813	157,632	354,778	540,594
Academic student assessment	106,295	111,492	144,584	134,524
Total Staff Instruction Services	\$ 5,886,229	\$ 5,421,509	\$ 5,405,422	\$ 5,206,268
General Administration Services:				
Board of education	\$ 224,837	\$ 135,914	\$ 111,427	\$ 94,074
Executive administration	1,046,246	1,098,407	1,083,368	1,282,543
Special area administration	302,704	12,614	13,672	13,882
Total General Administration Services	\$ 1,573,787	\$ 1,246,935	\$ 1,208,467	\$ 1,390,499
School Administration Services	\$ 7,187,392	\$ 7,008,307	\$ 7,083,244	\$ 6,484,836
Business & Central Services:				
Business administration fiscal	\$ 1,707,825	\$ 1,470,996	\$ 1,593,762	\$ 1,261,532
Printing, publishing, & duplicating	234,637	223,214	197,596	230,742
Public information	426,243	426,723	412,648	250,486
Personnel	291,892	327,625	337,491	246,033
Administrative technology	1,351,827	1,402,748	1,307,922	1,235,336
Total Business & Central Services	\$ 4,012,424	\$ 3,851,306	\$ 3,849,419	\$ 3,224,129
Operation and Maintenance of Plant	\$ 10,043,115	\$ 9,997,497	\$ 9,772,332	\$ 9,224,569
Student Transportation	\$ 3,789,743	\$ 3,885,032	\$ 4,054,393	\$ 3,879,542
Community Service Operations	\$ 276	\$ 4,347	\$ 52,515	\$ 28,522
Funds Transfer	\$ 40,262	\$ 80,695	\$ 51,285	\$ 0
AEA Flowthrough	\$ 5,239,713	\$ 5,198,347	\$ 5,191,338	\$ 5,014,640
Total expenditures	\$132,694,542	\$131,527,688	\$129,453,403	\$126,084,256
Percentage Increase (Decrease)	0.89%	1.60%	2.67%	(0.07%)

Source: District Financial Records

Table 8

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

2016	2015	2014	2013	2012	2011
\$ 47,284,121	\$ 46,700,801	\$ 43,124,337	\$ 40,706,822	\$ 39,611,990	\$ 38,569,286
25,286,808	26,048,304	24,657,319	23,348,053	22,048,080	21,514,318
12,185,972	12,131,570	11,673,565	10,997,304	11,261,238	10,389,358
\$ 84,756,901	\$ 84,880,675	\$ 79,455,221	\$ 75,052,179	\$ 72,921,308	\$ 70,472,962
\$ 1,184,388	\$ 950,365	\$ 692,378	\$ 375,815	\$ 257,588	\$ 245,310
2,915,391	3,090,367	3,087,135	2,781,619	2,700,544	2,588,620
1,689,280	1,961,395	1,876,211	1,911,961	1,836,573	1,854,693
417,725	442,247	428,960	379,621	369,530	258,457
\$ 6,206,784	\$ 6,444,374	\$ 6,084,684	\$ 5,449,016	\$ 5,164,235	\$ 4,947,080
\$ 2,831,815	\$ 2,597,937	\$ 2,201,148	\$ 2,066,467	\$ 1,596,748	\$ 1,564,958
2,542,262	2,487,240	2,261,003	2,097,142	2,069,525	1,930,039
496,451	452,258	1,208,510	341,021	214,859	3,713
163,181	148,019	0	0	0	0
\$ 6,033,709	\$ 5,685,454	\$ 5,670,661	\$ 4,504,630	\$ 3,881,132	\$ 3,498,710
\$ 138,292	\$ 104,151	\$ 118,695	\$ 92,664	\$ 183,228	\$ 123,341
1,525,643	1,450,997	1,482,745	1,387,549	1,177,114	1,069,273
179,445	172,077	192,153	180,334	173,551	311,894
\$ 1,843,380	\$ 1,727,225	\$ 1,793,593	\$ 1,660,547	\$ 1,533,893	\$ 1,504,508
\$ 6,457,432	\$ 6,268,992	\$ 6,223,048	\$ 5,864,477	\$ 5,634,449	\$ 5,416,059
\$ 1,256,942	\$ 1,245,087	\$ 1,358,567	\$ 1,201,038	\$ 1,180,505	\$ 1,188,291
193,677	210,811	235,921	186,296	229,022	371,377
245,308	223,791	105,486	60,315	126,079	110,362
209,778	219,258	217,727	195,659	219,393	217,204
1,281,806	1,249,120	1,238,257	1,174,492	975,394	1,128,712
\$ 3,187,511	\$ 3,148,067	\$ 3,155,958	\$ 2,817,800	\$ 2,730,393	\$ 3,015,946
\$ 9,011,252	\$ 9,319,185	\$ 8,962,416	\$ 8,325,758	\$ 8,072,928	\$ 7,650,801
\$ 3,674,856	\$ 3,714,134	\$ 3,778,519	\$ 3,425,265	\$ 3,171,242	\$ 3,171,723
\$ 14,871	\$ 0	\$ 0	\$ 265,000	\$ 54,900	\$ 91,329
\$ 0	\$ 0	\$ 0	\$ 7,256	\$ 6,877	\$ 1,851
\$ 4,981,385	\$ 4,928,817	\$ 4,723,656	\$ 4,515,012	\$ 4,496,822	\$ 4,922,517
\$126,168,081	\$126,116,923	\$119,847,756	\$111,886,940	\$107,668,179	\$104,693,486
0.04%	5.23%	7.12%	3.92%	2.84%	(1.08%)

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			
	2020	2019	2018	2017
Excess of revenues over (under) expenditures	\$(14,707,036)	\$(8,024,335)	\$ (8,406,610)	\$ (7,243,214)
Other financing sources (uses):				
Sales of property and equipment	\$ 152,491	\$ 43,249	\$ 40,507	\$ 81,522
Compensation for loss of capital assets	152,583	112,365	1,646,395	399,074
Transfers in	6,989,720	6,305,477	4,996,692	3,400,806
Transfers out	(6,707,893)	(6,025,348)	(4,716,228)	(3,400,806)
Revenue bonds net proceeds	9,058,000	9,455,000	10,000,000	10,000,000
Total other financing sources (uses)	\$ 9,644,901	\$ 9,890,743	\$11,967,366	\$10,480,596
Net change in fund balance	\$ (5,062,135)	\$ 1,866,408	\$ 3,560,756	\$ 3,237,382

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

2016	2015	2014	2013	2012	2011
\$(3,133,387)	\$(12,579,153)	\$(26,829,654)	\$(7,096,717)	\$ 7,033,283	\$ 9,317,799
\$ 24,410	\$ 96,994	\$ 158,695	\$ 106,031	\$ 146,553	\$ 800,677
510,178	0	0	0	0	0
3,426,383	4,217,872	3,908,856	8,469,539	9,250,938	9,234,683
(3,264,348)	(4,054,195)	(3,760,604)	(8,195,883)	(8,975,742)	(8,947,627)
0	15,960,000	13,033,000	10,071,376	10,050,343	0
\$ 696,623	\$ 16,220,671	\$ 13,339,947	\$10,451,063	\$10,472,092	\$ 1,087,733
\$(2,436,764)	\$ 3,641,518	\$(13,489,707)	\$ 3,354,346	\$17,505,375	\$10,405,532

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			
2018	2019-20	\$4,429,200,081	\$1,179,411,746	\$1,121,751,649	\$6,730,363,476	\$2,590,619,406	\$4,139,744,070	\$14.71233
2017	2018-19	\$4,374,776,193	\$1,169,574,170	\$1,007,910,822	\$6,552,261,185	\$2,515,162,641	\$4,037,098,544	\$14.59791
2016	2017-18	\$4,008,284,570	\$1,162,444,135	\$ 958,528,757	\$6,129,257,462	\$2,261,395,606	\$3,867,861,856	\$14.95665
2015	2016-17	\$3,950,604,087	\$1,161,442,205	\$ 919,917,882	\$6,031,964,174	\$2,246,002,419	\$3,785,961,755	\$14.97697
2014	2015-16	\$3,807,421,089	\$1,220,579,172	\$ 679,703,672	\$5,707,703,933	\$2,116,246,808	\$3,591,457,125	\$14.05629
2013	2014-15	\$3,735,243,695	\$1,223,371,310	\$ 635,758,386	\$5,594,373,391	\$2,024,655,305	\$3,569,718,086	\$13.99630
2012	2013-14	\$3,636,383,604	\$1,108,148,171	\$ 556,660,706	\$5,301,192,481	\$1,901,700,042	\$3,399,492,439	\$14.60281
2011	2012-13	\$3,584,139,640	\$1,107,954,369	\$ 545,384,690	\$5,237,478,699	\$1,941,516,491	\$3,295,962,208	\$15.40388
2010	2011-12	\$3,460,202,341	\$1,083,065,132	\$ 507,827,323	\$5,051,094,796	\$1,915,108,686	\$3,135,986,110	\$16.87685
2009	2010-11	\$3,400,988,084	\$1,066,381,565	\$ 466,520,254	\$4,933,889,903	\$1,931,149,023	\$3,002,740,880	\$16.88349

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

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

* Per \$ 1,000 of taxable value.

Table 11

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

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

		Fiscal Year	District Direct Rates				Overlapping Rates				
			General Purposes	Capital Purposes	Management Purposes	Total	County	Community College	Board of Education and Independents	City of Dubuque	City of Asbury
120	2018	2020	\$12.77354	\$1.00000	\$0.93879	\$14.71233	\$5.94098	\$1.03168	\$0.68587	\$10.33144	\$10.00788
	2017	2019	\$12.77715	\$1.00000	\$0.82076	\$14.59791	\$5.97760	\$1.09993	\$0.65448	\$10.58844	\$10.00070
	2016	2018	\$13.07590	\$1.00000	\$0.88075	\$14.95665	\$6.34143	\$1.09993	\$0.67396	\$10.89220	\$10.75365
	2015	2017	\$13.37828	\$1.00000	\$0.59869	\$14.97697	\$6.29673	\$0.93757	\$0.70443	\$11.16739	\$10.50000
	2014	2016	\$12.58536	\$1.00000	\$0.47093	\$14.05629	\$6.38779	\$0.91036	\$0.66641	\$11.02588	\$10.30963
	2013	2015	\$11.48470	\$1.00000	\$1.51160	\$13.99630	\$6.43124	\$0.90807	\$0.67315	\$11.02588	\$10.30200
	2012	2014	\$11.62865	\$1.00000	\$1.97416	\$14.60281	\$6.43124	\$0.90455	\$0.77468	\$11.02586	\$10.29932
	2011	2013	\$12.70671	\$1.00000	\$1.69717	\$15.40388	\$6.43124	\$0.98407	\$0.80305	\$10.78477	\$10.28790
	2010	2012	\$15.25931	\$1.00000	\$0.61754	\$16.87685	\$6.49167	\$1.07379	\$0.68380	\$10.45111	\$10.30123
	2009	2011	\$15.14980	\$1.00000	\$0.73369	\$16.88349	\$6.50193	\$1.03532	\$0.61503	\$10.02741	\$10.30237

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	2020 (1)			2011 (2)		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Peninsula Gaming Company LLC	\$ 57,401	1	1.39%	\$ 56,784	1	1.70%
Kennedy Mall	35,064	2	0.85%	31,133	2	0.93%
Deere & Co.	32,748	3	0.79%			
Progressive Processing LLC	22,842	4	0.55%			
Walter Development	22,649	5	0.55%			
GRTD Investments LLC	20,451	6	0.49%			
MAR Holdings LLC	19,209	7	0.46%			
Nordstrom, Inc.	13,320	8	0.32%	16,884	5	0.50%
Flexsteel Industries, Inc.	13,313	9	0.32%			
Century Link, Inc.	12,565	10	0.30%			
Medical Associates Realty				19,157	3	0.57%
Otto A LLC				17,500	4	0.52%
McGraw Hill				14,440	6	0.43%
Platinum Holdings				11,179	7	0.33%
Minglewood Limited Partnership				9,948	8	0.30%
Asbury Dubuque				9,925	9	0.30%
Lexington Dubuque LLC				9,844	10	0.29%
Total	<u>\$249,562</u>		<u>6.02%</u>	<u>\$196,794</u>		<u>5.87%</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 in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Total Amount Collected	Percentage of Levy
2019-2020	2018	\$55,795,594	\$54,993,286	98.56%	\$380,365	\$55,373,651	99.24%
2018-2019	2017	\$54,245,229	\$54,335,402	100.17%	\$ 17,218	\$54,352,620	100.20%
2017-2018	2016	\$52,034,296	\$52,063,281	100.06%	\$ 24,892	\$52,088,173	100.10%
2016-2017	2015	\$51,092,912	\$51,087,769	99.99%	\$ 37,382	\$51,125,151	100.06%
2015-2016	2014	\$45,756,263	\$45,727,904	99.94%	\$ 23,473	\$45,751,377	99.99%
2014-2015	2013	\$45,011,938	\$44,895,410	99.74%	\$ 23,088	\$44,918,498	99.79%
2013-2014	2012	\$45,250,137	\$45,235,328	99.97%	\$ 21,226	\$45,256,554	100.01%
2012-2013	2011	\$45,730,866	\$45,741,269	100.02%	\$ 20,891	\$45,762,160	100.07%
2011-2012	2010	\$48,128,348	\$48,116,040	99.97%	\$ 22,237	\$48,138,277	100.02%
2010-2011	2009	\$46,298,936	\$46,256,166	99.91%	\$ 31,049	\$46,287,215	99.97%

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

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					
2020	\$ 0	\$ 0	\$ 0	\$63,148,000	\$ 0	\$63,148,000	1.3283%	\$652	
2019	\$ 0	\$ 0	\$ 0	\$68,914,000	\$ 0	\$68,914,000	1.5441%	\$710	
2018	\$ 0	\$ 0	\$ 0	\$62,538,000	\$ 0	\$62,538,000	1.4305%	\$645	
2017	\$ 0	\$ 0	\$ 0	\$54,513,000	\$ 0	\$54,513,000	1.2757%	\$561	
2016	\$ 0	\$ 0	\$ 0	\$46,473,000	\$ 0	\$46,473,000	1.1171%	\$482	
2015	\$ 0	\$ 0	\$ 0	\$47,863,000	\$ 0	\$47,863,000	1.2131%	\$500	
2014	\$ 0	\$ 0	\$ 0	\$33,033,000	\$ 0	\$33,033,000	0.8604%	\$347	
2013	\$ 0	\$ 0	\$ 0	\$24,850,000	\$ 0	\$24,850,000	0.6752%	\$263	
2012	\$ 0	\$ 0	\$ 0	\$22,450,000	\$ 0	\$22,450,000	0.6507%	\$239	
2011	\$ 0	\$ 0	\$ 0	\$19,650,000	\$ 0	\$19,650,000	0.5925%	\$211	

Source: District Financial Records

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

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

Table 15

Dubuque Community School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
City of Asbury	\$ 7,709,000	100.00%	\$ 7,709,000
City of Dubuque (b)	108,395,164	100.00%	108,395,164
Dubuque County	28,530,561	75.84%	21,637,577
Northeast Iowa Community College	31,355,000	75.93%	<u>23,807,852</u>
Subtotal, overlapping debt			\$161,549,593
District direct debt			<u>63,148,000</u>
Total direct and overlapping debt			<u>\$224,697,593</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.
- (b): June 30, 2019, debt outstanding of \$108,395,164 was used since the June 30, 2020, debt outstanding was not available as of publication.

Table 16

Dubuque Community School District
Legal Debt Margin Information
Last Ten Years

(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
Debt Limit	\$351,679,012	\$327,613,059	\$306,462,873	\$301,598,209
Gross debt applicable to limit	\$ 63,148,000	\$ 68,914,000	\$ 62,538,000	\$ 54,513,000
Reserves for payments on debt	(7,720,642)	(8,745,573)	(7,356,814)	(6,172,660)
Total net debt applicable to limit	\$ 55,427,358	\$ 60,168,427	\$ 55,181,186	\$ 48,340,340
Legal debt margin	\$296,251,654	\$267,444,632	\$251,281,687	\$253,257,869
Total net debt applicable to the limit as a percentage of debt limit	15.8%	18.4%	18.0%	16.0%

Sources: District Financial Records and Dubuque County Auditor

Notes:

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

Legal Debt Margin Calculation for Fiscal Year 2020

Actual assessed value (a)	\$7,033,580,241
Debt limit (5% of assessed value) (b)	351,679,012
Debt applicable to limit	55,427,358
Legal debt margin	<u>\$ 296,251,654</u>

Table 16

Dubuque Community School District
Legal Debt Margin Information
Last Ten Years

2016	2015	2014	2013	2012	2011
\$285,385,197	\$279,718,670	\$265,059,624	\$261,873,935	\$252,554,740	\$246,694,495
\$ 46,473,000	\$ 47,863,000	\$ 33,033,000	\$ 24,850,000	\$ 22,450,000	\$ 19,650,000
(6,030,627)	(5,453,733)	(3,187,807)	(7,004,837)	(6,911,747)	(5,704,327)
\$ 40,442,373	\$ 42,409,267	\$ 29,845,193	\$ 17,845,163	\$ 15,538,253	\$ 13,945,673
<u>\$244,942,824</u>	<u>\$237,309,403</u>	<u>\$235,214,431</u>	<u>\$244,028,772</u>	<u>\$237,016,487</u>	<u>\$232,748,822</u>
14.2%	15.2%	11.3%	6.8%	6.2%	5.7%

					Estimated Debt Service and Coverage on the Bonds (without Revenue Growth)			Estimated Debt Service and Coverage on the Bonds (with Revenue Growth)		
Fiscal Year	Actual Sales Tax Revenue	Debt Service			Estimated Collection	Debt Service		Estimated Collection	Debt Service	
		Principal	Interest	Coverage		Combined P & I	Estimated Coverage		Combined P & I	Estimated Coverage
2011	\$10,578,600	\$8,710,000	\$ 523,617	1.15						
2012	\$11,435,526	\$7,200,000	\$ 412,250	1.50						
2013	\$12,190,050	\$7,600,000	\$ 341,075	1.54						
2014	\$ 8,974,360	\$4,850,000	\$ 354,007	1.72						
2015	\$10,038,752	\$1,130,000	\$ 680,953	5.54						
2016	\$10,149,186	\$1,390,000	\$1,322,393	3.74						
2017	\$10,138,685	\$1,960,000	\$1,312,691	3.10						
2018	\$ 9,831,721	\$1,975,000	\$1,530,888	2.80						
2019	\$10,777,769	\$3,079,000	\$1,671,024	2.27						
2020	\$10,810,216	\$4,149,000	\$1,809,240	1.81						
2021					\$10,545,409	\$7,935,655	1.33	\$10,545,409	\$7,935,655	1.33
2022					\$10,749,204	\$8,242,451	1.30	\$10,833,820	\$8,242,451	1.31
2023					\$10,688,291	\$7,628,223	1.40	\$10,880,636	\$7,628,223	1.43
2024					\$10,688,291	\$8,373,230	1.28	\$10,989,442	\$8,373,230	1.31
2025					\$10,688,291	\$8,442,196	1.27	\$11,099,336	\$8,442,196	1.31
2026					\$10,688,291	\$8,456,790	1.26	\$11,210,330	\$8,456,790	1.33
2027					\$10,688,291	\$8,562,243	1.25	\$11,322,433	\$8,562,243	1.32
2028					\$10,688,291	\$5,035,988	2.12	\$11,435,657	\$5,035,988	2.27
2029					\$10,688,291	\$4,672,378	2.29	\$11,550,014	\$4,672,378	2.47
2030					\$10,688,291	\$4,436,098	2.41	\$11,665,514	\$4,436,098	2.63
2031					\$10,688,291	\$3,656,488	2.92	\$11,782,169	\$3,656,488	3.22
2032					\$10,688,291	\$3,664,088	2.92	\$11,899,991	\$3,664,088	3.25
2033					\$10,688,291	\$3,667,738	2.91	\$12,018,991	\$3,667,738	3.28
2034					\$10,688,291	\$3,668,038	2.91	\$12,139,181	\$3,668,038	3.31
2035					\$10,688,291	\$1,401,600	7.63	\$12,260,573	\$1,401,600	8.75
2036					\$10,688,291	\$1,403,600	7.61	\$12,383,178	\$1,403,600	8.82
2037					\$10,688,291	\$1,399,000	7.64	\$12,507,010	\$1,399,000	8.94
2038					\$10,688,291	\$1,403,000	7.62	\$12,632,080	\$1,403,000	9.00
2039					\$10,688,291	\$1,400,200	7.63	\$12,758,401	\$1,400,200	9.11
2040					\$10,688,291	\$1,400,800	7.63	\$12,885,985	\$1,400,800	9.20
2041					\$10,688,291	\$1,399,600	7.64	\$13,014,845	\$1,399,600	9.30
2042					\$10,688,291	\$1,401,600	7.63	\$13,144,993	\$1,401,600	9.38
2043					\$10,688,291	\$1,401,600	7.63	\$13,276,443	\$1,401,600	9.47
2044					\$10,688,291	\$1,289,600	8.29	\$13,409,208	\$1,289,600	10.40
2045					\$10,688,291	0		\$13,543,300	0	
2046					\$10,688,291	0		\$13,678,733	0	

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)
2020	96,854	\$4,754,031,000	\$49,085	5.1%	10,489.0
2019	97,041	\$4,462,884,000	\$45,990	2.3%	10,429.8
2018	97,003	\$4,371,731,000	\$45,068	2.7%	10,506.8
2017	97,125	\$4,273,236,000	\$43,997	3.3%	10,555.8
2016	96,370	\$4,159,988,000	\$43,167	3.6%	10,587.9
2015	95,697	\$3,945,492,000	\$41,229	3.8%	10,633.7
2014	95,097	\$3,839,185,000	\$40,371	4.3%	10,578.6
2013	94,648	\$3,680,443,000	\$38,886	4.6%	10,513.3
2012	93,888	\$3,450,110,000	\$36,747	4.7%	10,469.8
2011	93,072	\$3,316,659,000	\$35,635	5.3%	10,517.4

Sources:

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

Table 19

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

(Unaudited)

Taxpayer	2020 (1)			2011 (2)		
	# of Employees	Rank	Percentage of Total Employment	# of Employees	Rank	Percentage of Total Employment
John Deere	2,600	1	5.35%	2,065	1	3.80%
Dubuque Community Schools	1,957	2	4.03%	1,946	2	3.58%
Mercy Medical Center	1,410	3	2.90%	1,324	3	2.44%
Medical Associates Clinic, P.C.	1,061	4	2.18%	999	5	1.84%
Unity Point Health - Finley Hospital	975	5	2.01%	920	6	1.69%
City of Dubuque	737	6	1.52%	686	7	1.26%
Sedgwick	725	7	1.49%			
Cottingham and Butler	715	8	1.47%			
Heartland Financial	600	9	1.23%			
Medline Industries, Inc.	500	10	1.03%			
IBM (3)				1,300	4	2.39%
Holy Family Catholic Schools				575	8	1.06%
Dubuque Racing Association				550	9	1.01%
Eagle Window & Door				550	9	1.01%
Prudential Retirement				413	10	0.76%
Total	<u>11,280</u>		<u>23.21%</u>	<u>11,328</u>		<u>20.84%</u>

Sources:

(1) Greater Dubuque Development Corp.

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

(3) Anticipated employment. Actual number not available at this time.

Table 20

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

(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
Supervisory:				
Superintendent	1.00	1.00	1.00	1.00
Associate superintendent	---	--	--	--
Principals	18.00	18.00	18.00	18.00
Assistant principals	14.00	14.00	13.00	13.00
All other administrators	10.00	9.00	8.00	8.00
Total supervisory	43.00	42.00	40.00	40.00
Instruction:				
Teachers - regular program	666.23	644.50	641.85	622.38
Teachers - special education program	224.00	213.00	208.60	195.60
Paraeducators - regular program	92.32	89.79	87.61	86.34
Paraeducators - special education program	312.13	298.67	285.85	282.74
Total instruction	1,294.68	1,245.96	1,223.91	1,187.06
Student services:				
Guidance counselors	34.00	33.00	33.00	33.00
Nurses	13.00	14.00	14.00	14.00
Media specialists	25.00	25.00	25.00	24.88
Other student services staff	49.66	41.02	39.00	29.00
Total student services	121.66	113.02	111.00	100.88
Support and administration:				
Clerical/secretarial	79.00	79.00	79.00	77.00
Custodial and maintenance	107.00	103.00	102.00	101.00
Food service	81.14	79.48	79.58	79.51
Bus drivers, attendants, truckers, mechanics	78.22	82.26	81.60	75.57
Other support services staff	12.00	12.00	13.00	13.00
Total support and administration	357.36	355.74	355.18	346.08
District Totals	1,816.70	1,756.72	1,730.09	1,674.02

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

2016	2015	2014	2013	2012	2011
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
18.00	18.00	18.00	18.00	18.00	18.50
13.00	13.00	13.00	13.00	13.00	12.00
9.00	9.00	9.00	9.00	6.00	7.50
42.00	42.00	42.00	42.00	39.00	40.00
640.22	659.61	629.95	623.14	604.40	590.53
196.60	194.50	173.83	163.11	153.00	159.77
86.35	88.50	78.26	84.34	82.23	75.57
268.68	263.70	258.81	250.77	259.71	244.01
1,191.85	1,206.31	1,140.85	1,121.36	1,099.34	1,069.88
33.00	33.00	31.00	30.00	30.00	31.00
15.60	15.60	16.60	17.20	16.20	18.20
26.00	26.00	24.50	24.00	18.50	19.90
25.00	25.00	20.00	14.00	12.00	9.00
99.60	99.60	92.10	85.20	76.70	78.10
81.00	80.00	77.75	76.75	77.75	79.00
99.00	101.00	99.00	98.00	98.00	103.00
79.03	80.95	81.95	82.64	80.48	78.39
77.23	76.25	78.38	76.30	68.95	61.66
13.00	14.00	14.00	14.00	11.50	12.50
349.26	352.20	351.09	347.69	336.68	334.55
1,682.71	1,700.11	1,626.03	1,596.25	1,551.72	1,522.53

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
	2020	10,489	\$132,694,542	\$12,651	0.32%	\$155,681,289	\$14,842	(0.50%)	890.23	11.78	43.40%
	2019	10,430	\$131,527,688	\$12,611	2.35%	\$155,577,219	\$14,916	7.62%	857.50	12.16	42.84%
	2018	10,507	\$129,453,403	\$12,321	3.16%	\$145,624,976	\$13,860	3.01%	850.45	12.35	38.64%
	2017	10,556	\$126,084,256	\$11,944	0.23%	\$142,034,740	\$13,455	0.04%	817.98	12.90	39.13%
	2016	10,588	\$126,168,081	\$11,916	0.47%	\$142,407,363	\$13,450	2.08%	836.82	12.65	39.53%
	2015	10,634	\$126,116,923	\$11,860	4.69%	\$140,115,740	\$13,176	2.19%	854.11	12.45	39.36%
	2014	10,579	\$119,847,755	\$11,329	6.45%	\$136,390,090	\$12,893	9.24%	803.78	13.16	39.27%
	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%

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			
	2020	2019	2018	2017
Elementary:				
Audubon (1973)				
Square feet	37,992	37,992	37,992	37,992
Capacity	336	336	336	336
Enrollment	230	222	256	264
Bryant (1940)				
Square feet	30,724	30,724	30,724	30,724
Capacity	263	263	263	263
Enrollment	313	293	290	333
Carver (2007)				
Square feet	69,902	69,902	69,902	69,902
Capacity	574	574	574	574
Enrollment	534	541	570	528
Eisenhower (1970)				
Square feet	63,455	63,455	63,455	63,455
Capacity	460	460	460	460
Enrollment	531	539	531	532
Fulton (1939)				
Square feet	35,098	35,098	35,098	35,098
Capacity	264	264	264	264
Enrollment	284	294	314	359
Hoover (1970)				
Square feet	28,663	28,663	28,663	28,663
Capacity	231	231	231	231
Enrollment	378	347	339	345

Source: *District Records*

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2016	2015	2014	2013	2012	2011
37,992	37,992	37,992	37,992	37,992	37,992
336	336	336	336	336	336
289	314	290	259	290	259
30,724	30,724	30,724	30,724	30,724	30,724
263	263	263	263	263	263
311	263	266	284	303	316
69,902	69,902	69,902	66,202	66,202	66,202
574	574	574	524	524	524
550	586	587	575	580	562
63,455	63,455	63,455	63,455	63,455	63,455
460	460	460	460	460	460
523	532	547	525	523	547
35,098	35,098	35,098	35,098	35,098	35,098
264	264	264	264	264	264
292	284	287	283	285	274
28,663	28,663	28,663	28,663	28,663	28,663
231	231	231	231	231	231
330	324	317	282	246	258

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
Elementary:				
Irving (1951)				
Square feet	79,064	79,064	79,064	79,064
Capacity	492	492	492	492
Enrollment	454	470	507	462
Kennedy (1965)				
Square feet	69,353	69,353	69,353	69,353
Capacity	691	691	691	691
Enrollment	580	583	597	597
Lincoln (1940)				
Square feet	37,692	37,692	37,692	37,692
Capacity	296	296	296	296
Enrollment	268	214	276	265
Marshall (1939)				
Square feet	33,956	33,956	33,956	33,956
Capacity	248	248	248	248
Enrollment	304	305	317	335
Prescott (Demolished and Rebuilt 2006)				
Square feet	65,836	65,836	65,836	65,836
Capacity	375	375	375	375
Enrollment	289	319	295	277
Sageville (1956)				
Square feet	42,237	42,237	42,237	42,237
Capacity	299	299	299	299
Enrollment	276	290	293	287
Table Mound (1960)				
Square feet	51,758	51,758	51,758	51,758
Capacity	370	370	370	370
Enrollment	391	396	414	393

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2016	2015	2014	2013	2012	2011
79,064	79,064	79,064	79,064	79,064	79,064
492	492	492	492	492	492
515	532	562	537	540	525
69,353	69,353	52,953	52,953	52,953	52,953
691	691	491	491	491	491
603	592	560	537	542	511
37,692	37,692	37,692	37,692	37,692	37,692
296	296	296	296	296	296
267	273	290	314	292	286
33,956	33,956	33,956	33,956	33,956	33,956
248	248	248	248	248	248
309	301	319	308	279	249
65,836	65,836	65,836	65,836	65,836	65,836
375	375	375	375	375	375
273	270	281	302	287	298
42,237	42,237	42,237	42,237	41,612	41,612
299	299	299	299	299	299
298	284	282	281	280	278
51,758	51,758	51,758	51,758	51,758	51,758
370	370	370	370	370	370
420	442	467	446	410	422

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
Middle Schools:				
Jefferson (1922)				
Square feet	89,948	89,948	89,948	89,948
Capacity	620	620	620	620
Enrollment	569	586	530	567
Roosevelt (2005)				
Square feet	206,000	206,000	206,000	206,000
Capacity	1,050	1,050	1,050	1,050
Enrollment	1,163	1,145	1,096	1,130
Washington (1920)				
Square feet	98,330	98,330	98,330	98,330
Capacity	657	657	657	657
Enrollment	693	645	648	683
High Schools:				
Alta Vista Campus (1963)				
Square feet	52,763	27,177	27,177	27,177
Capacity	320	150	150	150
Enrollment (included in other schools)	0	0	0	0
Hempstead (1970)				
Square feet	372,955	342,000	342,000	342,000
Capacity	2,532	2,532	2,532	2,532
Enrollment	1,715	1,725	1,712	1,645
Senior (1920)				
Square feet	348,455	348,455	356,628	286,611
Capacity	2,282	2,282	2,282	1,657
Enrollment	1,549	1,545	1,588	1,626

Note: 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

2016	2015	2014	2013	2012	2011
89,948	89,948	89,948	89,948	89,948	89,948
620	620	620	620	620	620
552	594	569	594	567	583
206,000	206,000	206,000	206,000	206,000	206,000
1,050	1,050	1,050	1,050	1,050	1,050
1,161	1,157	1,106	1,132	1,127	1,162
98,330	98,330	98,330	92,830	92,830	92,830
657	657	657	657	657	657
684	681	668	672	671	637
27,177	27,177	27,177	26,427	26,427	26,427
150	150	150	150	150	68
0	0	0	0	0	51
342,000	261,268	261,268	261,268	261,268	261,268
2,532	1,657	1,657	1,657	1,657	1,657
1,643	1,653	1,643	1,614	1,681	1,756
286,611	286,611	286,611	286,611	286,611	286,611
1,657	1,657	1,657	1,657	1,657	1,657
1,624	1,618	1,635	1,618	1,593	1,542

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2020	2019	2018	2017
Other District Facilities:				
Forum (1979)				
Square feet	24,959	24,959	24,959	24,959
Warehouse/Central Kitchen (1981)				
Square feet	33,000	33,000	33,000	33,000
Bus Garage (1985)				
Square feet	11,020	11,020	11,020	11,020
Buildings and Grounds (1985)				
Square feet	13,680	13,680	13,680	13,680
Buildings and Grounds Warehouse (1985)				
Square feet	5,000	5,000	5,000	5,000
Buildings and Grounds Storage (2015)				
Square feet	4,200	4,200	4,200	4,200

Table 22

Dubuque Community School District
School Building Information
Last Ten Years

2016	2015	2014	2013	2012	2011
24,959	24,959	24,959	24,959	24,959	24,959
33,000	33,000	33,000	33,000	33,000	33,000
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
4,200	---	---	---	---	---

Table 23

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

(Unaudited)

School Year	Minimum	Maximum	Average
2019 - 2020	\$33,087	\$74,325	\$46,405
2018 - 2019	\$30,271	\$73,533	\$46,614
2017 - 2018	\$30,221	\$73,425	\$46,559
2016 - 2017	\$29,906	\$72,738	\$46,295
2015 - 2016	\$29,906	\$72,738	\$46,060
2014 - 2015	\$29,117	\$71,161	\$44,438
2013 - 2014	\$28,192	\$69,020	\$43,335
2012 - 2013	\$27,865	\$60,468	\$42,785
2011 - 2012	\$27,645	\$59,990	\$43,122
2010 - 2011	\$27,645	\$59,990	\$42,888

Source: *District Payroll Records*

Note: 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, 2020

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY20	\$ 394,802
National School Lunch Program (Includes After-school Snack Program)	10.555	FY20	2,154,385 *
USDA Child Nutrition Program CARES Grants to States	10.555	FY20	616,675
Summer Food Service Program for Children	10.559	FY20	17,475
			<u>\$3,183,337</u>
 Fresh Fruit and Vegetable Program	 10.582	 FY20	 <u>\$ 53,180</u>
U.S. Department of Education:			
Iowa Department of Education:			
Apprenticeship USA Grants	17.285	FY20	\$ 6,501
Title I Grants to LEA	84.010	FY20	<u>\$2,080,470</u>
Vocational Education – Basic Grants to States	84.048	FY20	<u>\$ 123,200</u>
Rehabilitation Services – Vocational Rehabilitation Grants to States	84.126	FY20	<u>\$ 98,584</u>
Education for Homeless Children and Youth	84.196	FY20	<u>\$ 36,943</u>
Twenty-first Century Community Learning Centers	84.287	FY20	<u>\$ 67,013</u>
Special Education – State Personnel Development Grants	84.323	FY20	<u>\$ 4,530</u>
Improving Teacher Quality Grants	84.367	FY20	<u>\$ 296,482</u>
Title I School Improvement Grants	84.377	FY20	<u>\$ 22,005</u>
Student Support and Academic Enrichment Program	84.424	FY20	<u>\$ 95,981</u>
Education Stabilization Fund:			
Governor's Emergency Education Relief Fund	84.425	FY20	<u>\$ 83,289</u>
Elementary and Secondary School Emergency Relief Fund	84.425	FY20	<u>\$ 96,409</u>
Keystone Area Education Agency:			
Special Education – Grants to States	84.027	FY20	<u>\$ 541,103</u>
English Language Acquisition Grants	84.365	FY20	<u>\$ 11,579</u>
Total			<u>\$6,800,606</u>

* Includes \$371,482 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, 2020

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Dubuque Community School District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Dubuque Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Dubuque Community School District.

Note 2: Significant Accounting Policies

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

Dubuque Community School District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

<u>Findings</u>	<u>Status</u>	<u>Corrective Action Plan or Other Explanation</u>
Reportable Conditions in Internal Control		
None		
Reportable Conditions in Administering Federal Awards		
None		
Other Findings Related to Required Statutory Reporting		
None		

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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, each major fund, and the aggregate remaining fund information of Dubuque Community School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Dubuque Community School District's basic financial statements, and have issued our report thereon dated December 14, 2020.

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, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

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

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
December 14, 2020

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

To the Board of Education of
Dubuque Community School District:

Report on Compliance for Each Major Federal Program

We have audited the Dubuque Community School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Dubuque Community School District's major federal programs for the year ended June 30, 2020. Dubuque Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Dubuque Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

JIM KIRCHER & ASSOCIATES, P.C.

Dubuque, Iowa
December 14, 2020

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which were required to be reported in accordance with the Uniform Guidance Section 200.516.
- (g) Major programs were as follows:
 - Child Nutrition Cluster
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Dubuque Community School District did qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

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

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INTERNAL CONTROL DEFICIENCIES:

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

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-20 Certified Budget - Expenditures for the year ended June 30, 2020 did not exceed the amounts budgeted.
- IV-B-20 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-20 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-20 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-20 Restricted Donor Activity – No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- IV-F-20 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-G-20 Board Minutes - We noted no transaction requiring Board approval which had not been approved by the Board.
- IV-H-20 Certified Enrollment – 5.00 variances in the basic enrollment data certified by the Iowa Department of Education were noted.
- Recommendation – A system should be developed to reconcile the enrollment data collected by the District before submission to the Iowa Department of Education.
- Response – The District has a process used to clean data before it is uploaded. District employees are responsible for reviewing the data before it is uploaded and certified to the Iowa Department of Education. Considering the volume of records submitted, this process provides the District with a very accurate count.
- IV-I-20 Supplementary Weighting – a .036 variance regarding supplementary weighting certified to the Iowa Department of Education was noted.
- Recommendation – A procedure should be put in place to reconcile data collected by the District before submission to the Iowa Department of Education

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

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

Response – The District has a process used to clean data before it is uploaded. District employees are responsible for reviewing the data before it is uploaded and certified to the Iowa Department of Education. Considering the volume of records submitted, this process provides the District with a very accurate count.

IV-J-20 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

IV-K-20 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.

IV-L-20 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

IV-M-20 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, 2020 the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance			\$13,988,298
Revenues/transfers in:			
Statewide sales, services and use tax	\$10,810,216		
Investment income	202,897		
Other local revenue	<u>62,986</u>		\$11,076,099
Expenditures/transfers out:			
School infrastructure:			
Construction	\$ 5,121,286		
Equipment	1,565,534		
Other	2,564,066		
Transfers to other funds	<u>6,656,318</u>		\$15,907,204
Ending balance			<u>\$ 9,157,193</u>

Dubuque Community School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

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

For the year ended June 30, 2020, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

IV-N-20 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.