



GOVERNMENT FINANCE OFFICERS ASSOCIATION
NEWS RELEASE

FOR IMMEDIATE RELEASE

04/06/2018

For more information contact:
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(Chicago, Illinois)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **Iowa City Community School District** by Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s) or department designated by the government as primarily responsible for preparing the award-winning CAFR.

The CAFR has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

Government Finance Officers Association is a major professional association servicing the needs of nearly 19,000 appointed and elected local, state, and provincial-level government officials and other finance practitioners. It provides top quality publications, training programs, services, and products designed to enhance the skills and performance of those responsible for government finance policy and management. The association is headquartered in Chicago, Illinois, with offices in Washington, D.C.

PRESENTATION OF THE CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Certificate of Achievement for Excellence in Financial Reporting is the highest form of recognition in governmental accounting and financial reporting. The Certificate Program thereby advocates that recipients be formally recognized for their outstanding accomplishments. If you would like a formal presentation of the Certificate of Achievement, please contact your GFOA State Representative. The contact information follows:

Mr. Kevin E. Jacobson, CPA
Finance Director
City of Mason City
10 First Street NW
Mason City, IA 50401
UNITED STATES

Phone:
(641) 421-3613

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(641) 423-5369

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kjacobson@masoncity.net

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
COMMENTS AND SUGGESTIONS FOR IMPROVEMENTS**

The detailed comments and suggestions for improvements are composed of: 1) an indication above the comment that provides either the specific Certificate Program checklist question to which the item directly relates or the notation "Additional Comment" to indicate the comment does not directly relate to a specific checklist question and 2) text that generally identifies the location of the item in your CAFR, the reason for the comment, and the particular item you should address. Following is the legend for the references to specific authoritative literature that are provided for the majority of comments.

AU-C	-	Clarified Statements on Auditing Standards, American Institute of Certified Public Accountants (June 1, 2016)
COD	-	<i>Codification of Governmental Accounting and Financial Reporting Standards</i> , GASB, 2015
eGAAFR	-	<i>Governmental Accounting, Auditing, and Financial Reporting</i> (e-book format), GFOA, 2012/2014
eSUP	-	<i>GAAFR Supplement</i> (e-book format), GFOA, 2014
GAAFR	-	<i>Governmental Accounting, Auditing, and Financial Reporting</i> , GFOA, 2012
GAAP	-	Generally Accepted Accounting Principles
GASB-I	-	GASB Interpretation
GASB-S	-	GASB Statement
GASB-TB	-	GASB Technical Bulletin
NCGA-I	-	National Council on Governmental Accounting Interpretation
NCGA-S	-	National Council on Governmental Accounting Statement
Q&A	-	<i>Implementation Guide No. 2015-1</i> , GASB
Q&A: Update	-	<i>Implementation Guidance Update – 2016</i> , GASB
SLG	-	<i>Audits of State and Local Governments</i> , American Institute of Certified Public Accountants, March 1, 2015
SUP	-	<i>GAAFR Supplement</i> , GFOA, 2014

All references listed above, except those for "GAAFR," "Q&A," and "SLG," are followed by the number of the pronouncement, if applicable, and the specific paragraph(s), footnote(s), or appendix (appendices) within the publication that is being referenced. The references to "GAAFR" are to pages in that publication. For "Q&A," the references are to the applicable chapters and questions in that publication. For "SLG," the references are to the chapters and specific paragraphs.

Certificate of Achievement For Excellence in Financial Reporting

Summary of Grading

Name of Unit: Iowa City Community School District

Fiscal Year of Report FY2017

Report # 723.00

GFOA Member ID Number

300154744

The Certificate of Achievement Program Special Review Committee (SRC) has completed its review of your comprehensive annual financial report (CAFR). Listed below are the grading categories used and a summary of the SRC's evaluation of your CAFR. The detailed comments and suggestions for reporting improvements on the attached listing are grouped under similar grading categories. Any category which received a grade of "Needs Significant Improvement" indicates an area of particular concern to the SRC and the related comments and suggestions for improvement in this category should be given special attention. An indication is provided on the list by the specific comments(s) or category(ies) that were the cause of receiving this grade. For each item, the notation also states whether it is 1) the basis or part of the basis for the CAFR not receiving the Certificate of Achievement, 2) a serious deficiency which will almost certainly preclude the awarding of the Certificate of Achievement if it is not corrected in your next CAFR, or 3) a deficiency, that if not corrected in future CAFRs, could result in the Certificate of Achievement not being awarded.

Grading Category

Grade

Cover, table of contents, and formatting	Proficient
Introductory section	Proficient
Report of the independent auditor	Proficient
Management's discussion and analysis (MD&A)	Proficient
Basic financial statements (preliminary considerations)	Proficient
Government-wide financial statements	Proficient
Fund financial statements (general considerations)	Proficient
Governmental fund financial statements	Proficient
Proprietary fund financial statements	Proficient
Fiduciary fund financial statements	Proficient
Summary of significant accounting policies (SSAP)	Proficient
Note disclosure (other than the SSAP and pension-related disclosures)	Proficient
Pension-related note disclosures	Proficient
Required supplementary information (RSI)	Proficient
Combining and individual fund information and other supplementary information	Proficient
Statistical section	Proficient
Other considerations	Proficient

Certificate of Achievement For Excellence in Financial Reporting
Detailed Listing of Comments and Suggestions for Improvement

Please call GFOA's Technical Services Center at 312-977-9700 regarding comment questions

Name of Unit: Iowa City Community School District

Fiscal Year of Report FY2017

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104 - Management's discussion and analysis (MD&A)

Additional Comment:

Page 7.

The discussion of the government's overall financial position in Management's Discussion and Analysis should include all applicable financial statement elements (e.g., assets, deferred outflows of resources, liabilities and deferred inflows of resources). [GASB-S34: 11c; GASB-S63: 7; GAAFR, pages 229 and 296-297]

104 - Management's discussion and analysis (MD&A)

Checklist Question: 4.1e

Page 9 - Discuss the underlying reasons for the changes.

In Management's Discussion and Analysis, the discussion of overall operations should explain the reasons for the changes in net position rather than focusing solely on the size of the changes (amount or percentage of change). [GASB-S34: 11c; GAAFR, page 569]

105 - Basic financial statements (preliminary considerations)

Additional Comment:

Page 17 - Consider using the caption "State sales tax for capital projects" or "Intergovernmental - State capital contributions."

It does not appear that the State sales tax or the State income tax is an own-source revenue of the reporting entity, since the government does not have the tax authority to raise either the State sales tax or the State income tax. Accordingly, these state-shared revenues should not be reported under the taxes caption on the statement of activities and as tax revenues on the statement of revenues, expenditures, and changes in fund balances. Instead, these state shared revenues should be reported (1) either as unrestricted intergovernmental revenues or as operating/capital grants and contributions (if the revenues are restricted for specific programs) on the statement of activities and (2) as intergovernmental revenues on the statement of revenues, expenditures, and changes in fund balances. [GASB-S34: 47]

106 - Government-wide financial statements

Additional Comment:

Page 17 - For "Intergovernmental - State capital contributions."

It is unclear why the capital contributions are reported as general revenue rather than as program revenue in the capital grants and contributions category. Please clarify. [GASB-S34: 50; GAAFR, page 311]

112 - Note disclosure (other than the SSAP and pension-related disclosures)

Checklist Question: 12.19d

Page 41 - The disclosure should be specific to the District rather than generic.

The notes should describe the principal purposes of the government's interfund transfers. [GASB-S38: 15b; GAAFR, page 384]

118 - Statistical section

Checklist Question: 18.1r

Page 71 - The decrease in unrestricted net position in 2015.

A narrative should describe atypical trends and anomalous data that users would not otherwise understand. [GASB-S44: 42d; GAAFR, page 634]

118 - Statistical section

Checklist Question: 18.1h

Page 87 - Consider clarifying on the table why the collections were greater than the amount levied.

Refer to the government's response to a comment provided in the prior year. Information must be available for delinquent taxes by levy year to determine which year's taxes remain unpaid by the taxpayer. Accordingly, the information should be reportable for each levy year in accordance with the requirement of paragraph 21 of GASB Statement No. 44. If the government needs more time to make appropriate tax system changes to track this information a footnote should be included on the statistical table to discuss this fact.

118 - Statistical section

Checklist Question: 18.1k3

Page 88 - The focus should be on "net bonded debt" as a percentage of estimated actual value of taxable property.

If debt is to be repaid from property taxes, the statistical section should include the ratio of (net) general bonded debt to the estimated actual value of taxable property. [GASB-S44: 26; GAAFR, pages 627-628]

118 - Statistical section

Checklist Question: 18.1k2

Page 88.

It is unclear why the amount of net position restricted for payment of principal used in the calculation of net bonded debt is greater than the amount of restricted net position for debt service as reported on the government-wide statement of net position. Please clarify. [Q&A 9.28.2]

118 - Statistical section

Checklist Question: 18.1j3

Page 88 - Use total outstanding debt without a deduction for "an amount restricted for debt service" for this ratio.

The total outstanding debt burden should be expressed as total debt per capita (or on a more relevant basis). [GASB-S44: 24; Q&A 9.27.1 and 9.27.2; GAAFR, pages 626-627]

118 - Statistical section

Checklist Question: 18.1h3

Page 87 - Refer to the Q&A 9.23.3 reference below, if subsequent adjustments apply.

Refer to the response to a comment provided last year. If penalties and interest become part of the tax obligation, the government should adjust the original tax levy for that tax year. These adjustments can be displayed in a column separate from the original levy with a caption such as "subsequent adjustments." The total collections to date should be based on the total adjusted levy (i.e., the total original tax levy adjusted by penalties and interest). [Q&A 9.23.3]

120 - New Pronouncements

Additional Comment:

The GASB has issued the following statements:

1. Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.
2. Statement No. 81, "Irrevocable Split-Interest Agreements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2017.
3. Statement No. 82, "Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2017, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions will take effect for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
4. Statement No. 83, "Certain Asset Retirement Obligations." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2019.
5. Statement No. 84, "Fiduciary Activities." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019.
6. Statement No. 85, "Omnibus 2017." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.
7. Statement No. 86, "Certain Debt Extinguishment Issues." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2018.
8. Statement No. 87, "Leases." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020.

Earlier application of these statements is encouraged. For the original pronouncements, please visit the GASB's website, www.gasb.org.



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

April 6, 2018

Leslie Finger
Director of Budget & Finance, Treasurer
Iowa City Community School District
1725 North Dodge Street
Iowa City, IA 52245

Dear Mr. Finger:

We are pleased to notify you that your 2017 fiscal year end comprehensive annual financial report (CAFR) qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. Congratulations for having satisfied the high standards of the program. We hope that your example will encourage others in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements are enclosed. We want to strongly encourage the recommended improvements be made in the next report, and that the report be submitted to the program within six months of your next fiscal year end. Certificate of Achievement Program policy requires that written responses to the comments and suggestions for improvement accompany the next fiscal year's submission. The written responses should provide details about how each item is addressed within this report. These responses will be provided to those Special Review Committee members participating in the review. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. An AFRA is enclosed for the preparer as designated on the application.

Continuing participants will find a Certificate and brass medallion enclosed with these results. First-time recipients will find a Certificate enclosed with these results and will receive a plaque in about 10 weeks. You may arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and we hope that appropriate publicity will be given to this notable achievement. A sample news release has been enclosed.

A current holder of a Certificate of Achievement may include a reproduction of the Certificate in its immediately subsequent CAFR. A camera-ready copy of your Certificate is enclosed for that purpose. If you reproduce your Certificate in your next report, please refer to the enclosed instructions. A Certificate of Achievement is valid for a period of one year.

A Certificate of Achievement Program application is posted on GFOA's website. This application must be completed and accompany your next submission. See sections III and IV of the application for instructions. **The entity's GFOA membership number appears on the attached comments and must be listed on the application.** Your continued interest in and support of the Certificate of Achievement Program is most appreciated. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive style with a large initial "M".

Michele Mark Levine
Director, Technical Services Center



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

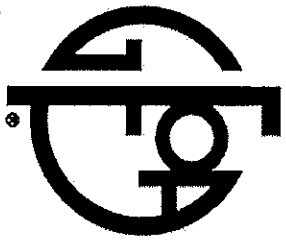
Iowa City Community School District
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Leslie Finger

Director of Budget & Finance, Treasurer
Iowa City Community School District, Iowa

The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christophine P. Maxwell

Date April 6, 2018

