



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, 2013

Executive Director/CEO

Certificate of Achievement For Excellence in Financial Reporting

Summary of Grading

Name of Unit: Iowa City Community School District

Fiscal Year of Report FY2013

Report # 1,868.00

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**

Name of Unit: Iowa City Community School District

Fiscal Year of Report FY2013

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105 - Basic financial statements (preliminary considerations)

Additional Comment:

Page 16.

Availability only affects the recognition of revenue in governmental funds. Accordingly, it is appropriate to use the caption of "unavailable revenue" for such amounts that governmental funds report as a deferred inflow of resources. However, to avoid confusion and a possible misunderstanding, a term other than "unavailable revenue" should be used as the caption for this amount if it is also reported as a deferred inflow of resources in the government-wide financial statements. "Deferred revenue" may be an appropriate caption to describe this amount. [NCGA-S1: 61 and 62; GASB-S 65: 30; GAAFR pages, 124-126]

111 - Summary of significant accounting policies (SSAP)

Additional Comment:

Page 32 - In the first paragraph.

Modify the disclosure that fiduciary funds use the economic resources measurement focus to indicate that agency funds have no measurement focus. [GAAFR, page 104]

113 - Pension-related note disclosures

Checklist Question: 13.2i4

Page 48 - Disclose the general inflation rate assumption. This comment was provided last year and not addressed.

For single-employer and agent multiple-employer postemployment defined benefit plans, the notes should disclose the assumptions regarding the inflation rate, investment return, projected salary increases, post-retirement benefit increases, and, in the case of postemployment healthcare plans, the healthcare cost trend rate. [GASB-S27: 21c; GASB-S45: 25d; GAAFR, page 371]

118 - Statistical section

Checklist Question: 18.1h3

Page 75.

It is unclear why, for some years, the total property tax collections to date as a percentage of the annual levy exceeds 100 percent. Note that penalty charges and interest (if any) should not be included in total collections to date.

118 - Statistical section

Checklist Question: 18.1d2b

Page 69 - It is unclear how the District calculated the ratio. The correct percentage should be 2.30%. Refer to page 22.

The amount of capital outlay used to calculate the ratio of total debt service expenditures to noncapital expenditures should be the same as the reconciling item for capital outlay in the reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance. [GASB-S44: 12b; Q&A 9.11.5; GAAFR, pages 619-620]

120 - New Pronouncements

Additional Comment:

The GASB has issued Statement No. 66, "Technical Corrections - 2012; an amendment of GASB Statements No. 10 and No. 62." The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

120 - New Pronouncements

Additional Comment:

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.

120 - New Pronouncements

Additional Comment:

The GASB has issued Statement No. 69, "Government Combinations and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. However, earlier application of the Statement is encouraged.

120 - New Pronouncements

Additional Comment:

The GASB has issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees." This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2013.