

Des Moines Independent Community School District, Des Moines, Iowa

Comprehensive Annual Financial Report
Year Ended June 30, 2014

**Official Issuing Report:
Thomas Harper
Chief Financial Officer**

**Office Issuing Report:
Business and Finance Department**

Table of Contents

| Introductory Section | |
|---|----------|
| Table of contents | i – ii |
| Letter of transmittal | iii – ix |
| Board of Education and School District Officials | x |
| GFOA certificate of achievement | xi |
| ASBO certificate of excellence | xii |
| Organizational chart | xiii |
| Financial Section | |
| Independent auditor's report | 1 – 2 |
| Management's discussion and analysis | 3 – 15 |
| Basic financial statements: | |
| Government-wide financial statements: | |
| Statement of net position | 16 – 17 |
| Statement of activities | 18 – 19 |
| Fund financial statements: | |
| Governmental funds: | |
| Balance sheet | 20 |
| Reconciliation of total governmental fund balances to net position of governmental activities | 21 |
| Statement of revenues, expenditures and changes in fund balances | 22 |
| Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities | 23 |
| Proprietary funds: | |
| Statement of net position | 24 |
| Statement of revenues, expenses and changes in net position | 25 |
| Statement of cash flows | 26 |
| Fiduciary funds: | |
| Statement of fiduciary net position, fiduciary and agency funds | 27 |
| Statement of changes in fiduciary net position, fiduciary funds | 28 |
| Notes to basic financial statements | 29 – 52 |
| Required supplementary information: | |
| Schedule of funding progress, retiree health benefit plan | 53 |
| Budgetary comparison schedule – all governmental funds, enterprise funds and private purpose trust funds | 54 – 55 |
| Note to required supplementary information | 56 |
| Other supplementary information: | |
| Nonmajor governmental funds: | |
| Combining balance sheet | 57 – 58 |
| Combining statement of revenues, expenditures and changes in fund balances | 59 – 60 |
| Nonmajor enterprise funds: | |
| Combining statement of net position | 61 – 62 |
| Combining statement of revenues, expenses and changes in fund net position (deficit) | 63 – 64 |
| Combining statement of cash flows | 65 – 66 |

Table of Contents

| Financial Section (Continued) | |
|---|-----------|
| Internal service funds: | |
| Combining statement of net position (deficit) | 67 |
| Combining statement of revenues, expenses and changes in fund net position (deficit) | 68 |
| Combining statement of cash flows | 69 |
| Agency fund, statement of changes in assets and liabilities | 70 |
| Statistical Section (Unaudited) | |
| Statistical section contents | 71 |
| Net position by component | 72 – 73 |
| Expenses, program revenues and net (expense) revenue | 74 – 77 |
| General revenues and total change in net position | 78 – 79 |
| Fund balances, governmental funds | 80 – 81 |
| Governmental funds revenues | 82 – 83 |
| Governmental funds expenditures and debt service ratio | 84 – 85 |
| Other financing sources and uses and net change in fund balances – governmental funds | 86 – 87 |
| Taxable value and actual value of taxable property | 88 – 89 |
| Direct and overlapping property tax rates | 90 – 92 |
| Principal property taxpayers | 93 |
| Property tax levies and collections | 94 |
| Ratios of general bonded debt outstanding | 95 |
| Outstanding debt by type | 96 |
| Direct and overlapping governmental activities debt | 97 |
| Legal debt margin information | 98 – 99 |
| Pledged-revenue coverage | 100 |
| Demographic and economic statistics | 101 |
| Largest public and private employers in greater Des Moines | 102 |
| Full-time equivalent district employees by type | 103 – 106 |
| Operating statistics | 107 |
| School building information | 108 – 123 |
| Capital asset information | 124 – 125 |
| Compliance Section | |
| Schedule of expenditures of federal awards | 126 – 127 |
| Notes to schedule of expenditures of federal awards | 128 |
| Summary schedule of prior audit findings | 129 |
| Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i> | 130 – 131 |
| Report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by OMB Circular A-133 | 132 – 133 |
| Schedule of findings and questioned costs | 134 – 138 |
| Corrective action plan | 139 |



November 5, 2014

The Board of Education and Residents
Des Moines Independent Community School District

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Des Moines Independent Community School District (the District) for the fiscal year ended June 30, 2014.

The District operates in compliance with generally accepted accounting principles (GAAP) and prepares its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34. The report has been prepared to conform to guidelines recommended by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) of the United States and Canada.

McGladrey, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

The responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with management of the District. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. We believe that the data herein 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.

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.

As is the case every year, the District was required to undergo 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 applicable to each major program and internal control over compliance, a schedule of findings and questioned costs and corrective action plans (if any) are included in the single audit compliance section of this report.

Profile of the Government

In Iowa, school districts operate in accordance with Dillon's Rule (that is, school districts only have the ability to do that which is expressly authorized by the Code of Iowa), operate under the control of a local board of directors and have fiscal independence from other governmental entities. The District is a political subdivision of the State of Iowa and as such operates public schools and supporting programs for children in preschool through grade twelve.

The District is governed by a seven member Board of Education; members serve overlapping four year terms and are elected on a nonpartisan basis. The Board of Education operates under the policy governance model and thus is a policymaking and planning body whose decisions are carried out by the Superintendent.

The District serves more than 200,000 people who live in Polk and Warren Counties. Covering nearly 86 square miles, the District has developed in the heart of the Des Moines city center, east into Pleasant Hill, west into Windsor Heights and south into Warren County. The District benefits from having strong and diverse neighborhoods and a citizenry deeply involved in its public education. The District's enrollment for 2013 was 32,394, making it by far the largest public school district in Iowa.

Here's what others have to say about Des Moines being a great place to live and work:

- Des Moines is the #1 Best City for Young Professionals – 2014 – Forbes
- Des Moines is the #3 Best City with the most job opportunities per Capita – Beyond.com
- Des Moines is the #2 Best City for Business and Careers – 2014 – Forbes
- Des Moines is the #1 Wealthiest City in America – 2014 – Today show
- Des Moines is the #1 City with an Up and Coming Downtown – 2014 – Forbes
- Des Moines is the #6 City for raising a family – 2014 - Forbes
- Des Moines is the #1 Place for Business and Careers in 2013 - Forbes
- Des Moines ranks #1 "Best Cities for Families." - Kiplinger
- Des Moines Named No. 5 in Top 100 Best Cities for Families. - Parenting Magazine
- Greater Des Moines Ranks #1 Best City for Young Professionals. - Forbes
- Des Moines ranks #2 Best Place for Business. - Forbes
- Des Moines is the #1 richest metro in the nation. - US News & World Report
- Des Moines is the #1 city in the US for home renters. - Time Magazine
- Iowa ranks #9 for best state for business. - CNBC
- Des Moines is the #4 city in the nation for doing business. - MarketWatch
- Des Moines ranks in the top 10 "Best Cities for the Next Decade." - Kiplinger
- Des Moines ranks #1 as the "Best Place for Business and Careers." - Forbes 2010
- Des Moines is one of the 20 strongest-performing metro areas. - Brookings
- Des Moines living costs are 10 percent below the national average. - The Council for Community and Economic Research
- Des Moines is the #6 healthiest places to live. - Parenting Magazine

The District provides a full range of programs and services including instructional, preschool, student services, school building administration, maintenance of sites and facilities, transportation, food service, child care, custodial, extra co-curricular and athletic activities and community education. The District provides a comprehensive educational program appropriate to students in pre-school through grade twelve. These services include regular and enriched academic education, special education, vocational education and numerous individualized programs such as instruction for students at-risk, gifted and talented or extended learning language (ELL).

The District operates preschool programs for over 1900 children in most elementary schools and three preschool centers. It has 38 elementary schools; 11 middle schools; 1 standalone ninth grade academy; 6 high schools including an alternative high school; a career and technical institute and central academy; and many other special schools and programs. The District also maintains a maintenance/warehouse facility, a print shop, a wellness program and athletic complexes.

Des Moines Public Schools may be the biggest provider of public education in Iowa, but the district takes anything but a one-size-fits-all approach to educating students. In fact, families in Des Moines can find more educational options than anywhere in the state, including:

- Advanced Placement. Central Academy, attended by students from 39 central Iowa middle and high schools, is Iowa's top AP program, dedicated to providing a challenging curriculum. The Belin-Blank Center for Gifted Education and Talent Development placed Central Academy "in a class by itself" as a college preparatory school. In addition, DMPS is in the midst of a significant expansion of AP course offerings throughout all five comprehensive high schools, providing thousands of student's access to rigorous and advanced courses.
- International Baccalaureate. Home to the only IB program in Iowa, DMPS offers this world-class educational opportunity at four elementary schools (Hubbell, Park Avenue, Stowe, and Walnut Street) and four middle schools (Brody, Goodrell, Meredith, and Merrill). Central Academy and Hoover are the only high schools in Iowa to offer these programs.
- Career & Technical Institute. Located at Central Campus, CTI presents students with learning opportunities in several high-skill areas, including graphic design, broadcasting & film, culinary arts, fashion, and automotive technology. Also, DMPS offers one of only three high school aviation programs certified by the FAA and has the largest marine biology program of any non-coastal high school.
- Higher Education Partnerships. Des Moines Public Schools' proximity to Drake University, Iowa State University, Des Moines University, Des Moines Area Community College, and other institutions of higher education have created numerous partnerships and collaborative efforts that support students, teachers, and administrators.
- Downtown School. The Downtown School, located in a brand new home at Central Campus, is a national model where students learn in multiage classes. The school has been nationally recognized for its innovative programming, including an extended calendar, and is a great option for parents who work in the heart of the city.
- Montessori. Cowles Montessori School is the only public Montessori program in Iowa, serving students in grades K-8. Students learn in multiage classrooms and children's natural curiosities are exploited to the fullest as they advance at their own pace.
- Traditional Programs. Jefferson and Phillips elementary schools have dress codes and feature increased emphasis on basic academic skills. The schools also stress personal respect, responsibility, and discipline as cornerstones of a place where academic achievement can be maximized.
- Alternative Programs. Future Pathways, Scavo Alternative High School, Orchard Place, Des Moines Alternative, and Middle School Alternative offer programming for students who may be struggling with attendance requirements at a comprehensive school or have other personal issues and need alternative programming.
- Ruby Van Meter and Smouse schools. Ruby Van Meter School (serving secondary-age children) and Smouse Opportunity School (serving elementary-age children) provide high-quality, specialized instruction to physically and mentally disabled students.

Des Moines educators and staff are recognized as being among the very best in their fields. These are just some of the awards and honors they have earned in recent years:

- 2014 Iowa Elementary School Counselor of the Year
- 2014 Presidential Award for Excellence in Mathematics and Science Teaching finalists
- 2014 Prostart Educator of Excellence Award
- 2014 Iowa School Social Worker of the Year by the Iowa School Social Workers Association

- 2014 Four Rotary Educators of the Year
- 2014 Rising Star by the Journalism Education Association
- 2014 Two Finalists for Iowa Teacher of the Year
- 2013 finalist for Iowa Teacher of the Year
- 2013 and 2012 ENERGY STAR Partner of the Year from the Environmental Protection Agency
- 2013 and 2012 Governor's Iowa Environmental Excellence Award
- 2013 Green Ribbon School Award for Des Moines Public Schools from the U.S. Department of Education
- 2013 and 2012: 15 total awards and citations from the National School Public Relations Association for a wide range of communications including a new website, a revamped and more frequent community newsletter, special purpose publications/reports, and video news productions. In both years, DMPS received NSPRA's highest honor, the Award of Excellence, for use of social media, one of only two districts nationwide to achieve that distinction in 2012.
- 2013 recipient of a Sunny Award for having one of the most transparent government websites in the nation
- 2012 and 2010 state finalists for Presidential Award for Excellence in Mathematics and Science Teaching (mathematics)
- 2012 Phyllis Yager Memorial Commitment to Diversity Award from the University of Iowa College of Education
- 2012 Gary Hendrichs Memorial Award from the Iowa School Counselor Association
- 2012 Education Support Personnel of the Year for the State of Iowa
- 2012 honoree as a Champion of Change in education from the White House
- 2012 finalist for America History Teacher of the Year from Iowa Preserve
- 2012 Green Ribbon School Award for Central Campus from the U.S. Department of Education
- 2013, 2012, 2011, 2010, 2009, 2008, and 2007 Certificate of Excellence in Financial Reporting from the Association of School Business Officials Association for the school district's comprehensive annual financial report
- 2013, 2012, 2011, 2010, 2009, 2008, and 2007 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the school district's comprehensive annual financial report

Economic Condition and Outlook

Local Economy - The Des Moines Independent Community School District is located in the center of Iowa, primarily in the city of Des Moines (City). The City is the industrial, commercial, financial, trade, transportation and governmental center of Iowa. The City's insurance industry is the third largest in the world, after London and Hartford, with over 200 insurance offices/headquarters located in Des Moines. Insurance activities are part of a strong local economy that is also based in agriculture, manufacturing, technology, education, health care and other services. Principal Financial Group, Inc. and Iowa Health Systems are the major private employers within the District.

Des Moines, the city proper, is comprised of 80.87 square miles of land with a population of 207,000, approximately 25% of which is younger than 18. The median household income (2012) in Des Moines was \$45,001, and approximately 19% of persons live below the poverty line.

Today, Iowa's economy stands on firm ground as it recovers from the deep recession that began in 2008. An improved employment outlook nudged Iowa's unemployment rate down to 4.5 percent in July 2014 from 4.7 percent in April 2013. According to a report issued by the Iowa Legislative Services Agency (LSA) in December 2013, During the 12 months ending October 2013, new revenue from all taxes deposited to state funds totaled \$7.581 billion, an increase of \$446.8 million, compared to the previous 12 months. (Petroski, December 2013).

The District has experienced slow but steady increases in its tax base, averaging about 2- 3 percent per year. At the same time, enrollment taken on October 1, 2013 affecting fiscal year 2015 state funding increased 0.01 percent; while the October 1, 2014 enrollment affecting fiscal year 2016 remained flat with the 2013 count. The amount of allowable growth for FY15 is 4%. Enrollment is projected to remain stable or increase slightly in future years.

Long-Term Financial Planning and Relevant Financial Policies - The district's solvency ratio is a measure of the district's fund equity position and is defined as the unassigned fund balance (commonly referred to as the cash reserves) divided by the district's total General Fund revenues, less AEA flow-through. Board guidelines state that the solvency ratio should not go below 3 percent, without prior knowledge of the Board. The Iowa Association of School Boards (IASB) considers a solvency ratio of 0 - 5 percent to be adequate for short-term credit purposes, while a ratio of 5 - 10 is within "Target" or "Good" and therefore "can handle the unexpected." In addition during the 12-13 school year, the District's School Board approved a 15.0% minimum for the District's solvency ratio. The solvency ratio for the district decreased at year end to 15.4 percent, down from 15.9 percent in the prior year. The district had plans to increase its solvency ratio over time, primarily by not making one time expenditures using cash reserves.

In addition, the Board monitors the district's unspent spending ratio. This ratio is a measure of the District's unbudgeted authorized spending capacity (not cash reserves) and is defined as the district's unspent spending authority divided by the district's maximum budget authority. It should be noted that reaching the maximum budget authority level would require the board to authorize and levy additional property taxes. The IASB recommends this ratio be in the target range of 10 - 20 percent. The projected unspent spending authority balance ratio is 15.0 percent, down from 17.2 percent for the prior year.

Major Initiatives: We have completed the third phase of bonding ahead on the Statewide Penny. The district sold Revenue Bonds in FY 2014 as a way to minimize future inflationary increases by condensing repair and renovation costs from a 10 year plan into a 5 year plan. The bonds would be paid back using Statewide Penny revenue.

Our district continues to treat energy savings/consumption as a priority. Currently 98.7% of our classrooms are air conditioned. This is a 26% increase since 2008. 33 of our schools utilize the earth's natural temperatures to heat and cool our buildings. 53 schools are Energy Star qualified which means they operate in the upper 25% of like buildings nationally. Recognition of our sustainability is that the district was recognized with three major awards:

- Energy Star Partner of the Year - 2014, 2013 and 2012 (only back to back to back district nationally)
- Building Operations Managements FMXcellence Recognition - 2014
- Environmental Protection Agency's 2013 Energy Star National Building Competition: McCombs, Moulton, and Studebaker were top finishers.

Voters of the district on September 14, 2010 approved the continuation of the property, plant and equipment tax levy (PPEL) for another 10 years, through fiscal year 2021.

Other Financial Information

Internal Control. Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that its assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county financial assistance, the District also is responsible for ensuring that an adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and external auditors.

As a part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal awards programs. The results of the District's single audit for the fiscal year ended June 30, 2014 provided no instances of material weaknesses in the internal control or violations of applicable laws.

Budgetary Controls. In addition, the District maintains strong budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, enterprise funds, Capital Projects Fund and Private Purpose Trust Funds, are included in the annual appropriated budget by program. Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level for all funds combined rather than at the individual fund level.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Basis of Presentation. The charts and accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records materially conform to the Uniform Accounting System for Iowa Schools, Chapter 11 of the Code of Iowa and Area Educational Agencies issued by the Department of Education, state of Iowa. The chart of accounts manual is updated annually and the District is materially in compliance with these requirements.

Independent Audit. The accounting firm McGladrey, LLP was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules is included in the financial section of this report. The Comprehensive Annual Financial Report also includes a statistical section which is unaudited.

Awards and Acknowledgments

We are pleased to say that for the seventh year in a row the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Des Moines Independent Public School district for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a district must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

In addition, The Association of School Business Officials (ASBO) International has, for the seventh time, awarded a Certificate of Excellence in Financial Reporting to the district for the fiscal year ending June 30, 2013. This award represents the highest recognition for school district operations offered by ASBO International.

Each Certificate is valid for a period of one year only and the certificates for fiscal year 2013 are included in this report. We believe that our current CAFR continues to meet the GFOA and ASBO International Certificate of Achievement programs' requirements and we are submitting it to both the GFOA and ASBO International to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the District's accounting and payroll staff and our auditors, McGladrey, LLP. We would like to express our appreciation to all staff members who assisted and contributed to this report as well as members of city and county governments. Also, appreciation is expressed for the interest and support of the Board of Education in conducting the financial operations of the District in a most responsible and progressive manner.

Respectfully submitted,



Thomas M. Ahart, Superintendent



Thomas L. N. Harper, Chief Financial Officer
CPA, CFM, CMA, CIA, SFO, CGFM, CITP, SBO, CGMA

Des Moines Independent Community School District

**Board of Education and School District Officials
Year Ended June 30, 2014**

| Name | Title | Term Expires |
|------|-------|--------------|
|------|-------|--------------|

Board of Education

Before November 2013:

| | | |
|------------------------|----------------|------|
| Richard Murphy | President | 2013 |
| Cindy Elsbernd | Vice President | 2015 |
| Connie Boesen | Board Member | 2013 |
| Teree Caldwell-Johnson | Board Member | 2013 |
| Bill Howard | Board Member | 2015 |
| Joe Jongewaard | Board Member | 2013 |
| Pat Sweeney | Board Member | 2015 |

After November 2013:

| | | |
|------------------------|----------------|------|
| Cindy Elsbernd | President | 2015 |
| Bill Howard | Vice President | 2015 |
| Rob X. Barron | Board Member | 2017 |
| Connie Boesen | Board Member | 2017 |
| Teree Caldwell-Johnson | Board Member | 2017 |
| Toussaint Cheatom | Board Member | 2017 |
| Pat Sweeney | Board Member | 2015 |

School District Officials

| | | |
|---------------|-------------------------|-----------|
| Thomas Ahart | Superintendent | |
| Thomas Harper | Secretary and Treasurer | Appointed |
| Pat Lantz | Attorney | Appointed |



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Des Moines Independent
Community School District
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Association of School Business Officials International



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

Des Moines Independent Community School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

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

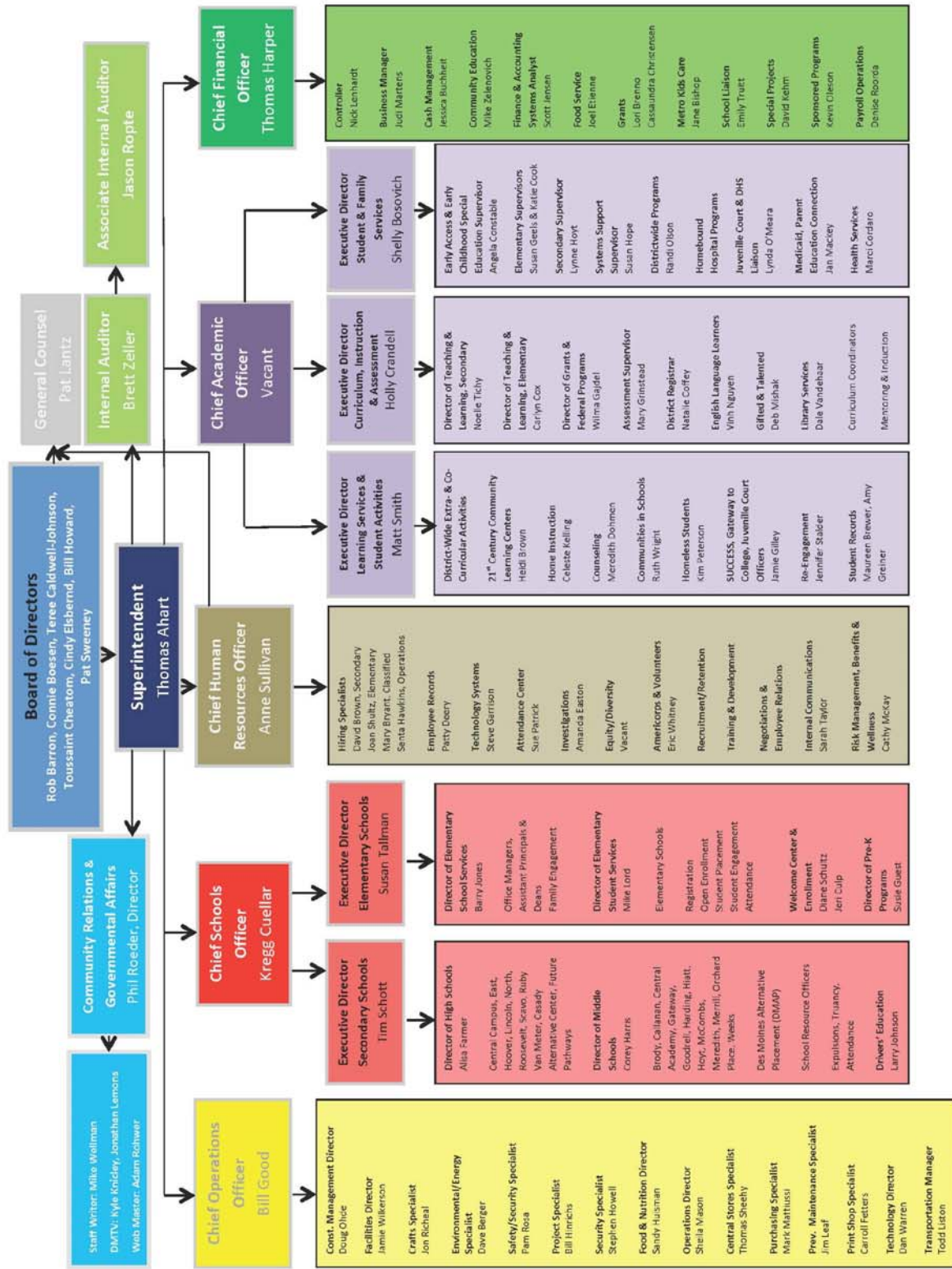


A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director



This Page Intentionally Left Blank

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 the District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 15, schedule of funding progress on page 53 and the budgetary comparison schedule on pages 54 through 56 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 who 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 auditing standards generally accepted in the United States of America, 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 the District's basic financial statements. The combining nonmajor fund financial statements and individual fund statements, listed in the table of contents as supplementary information, and the accompanying schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Nonprofit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents 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 November 5, 2014 on our consideration of the 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 the District's internal control over financial reporting and compliance.

McGladrey LLP

Des Moines, Iowa
November 5, 2014

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

This Management's Discussion and Analysis is provided by the management of the Des Moines Independent Community School District (District) to offer readers an overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. We encourage readers to consider this Discussion and Analysis presented here in conjunction with the financial statements, which follow.

Financial Highlights

- **Budget:** The state of Iowa legislatively approved an allowable growth factor of 2 percent for fiscal year 2014 with a one-time factor 2 percent in addition. For fiscal year 2015 the allowable growth rate is four percent.

In April 2013, the board approved an expenditure budget for fiscal year 2014 for all funds of \$471.7 million (including transfers). In May 2014, the board approved a budget amendment to increase expenditures by \$8.0 million.

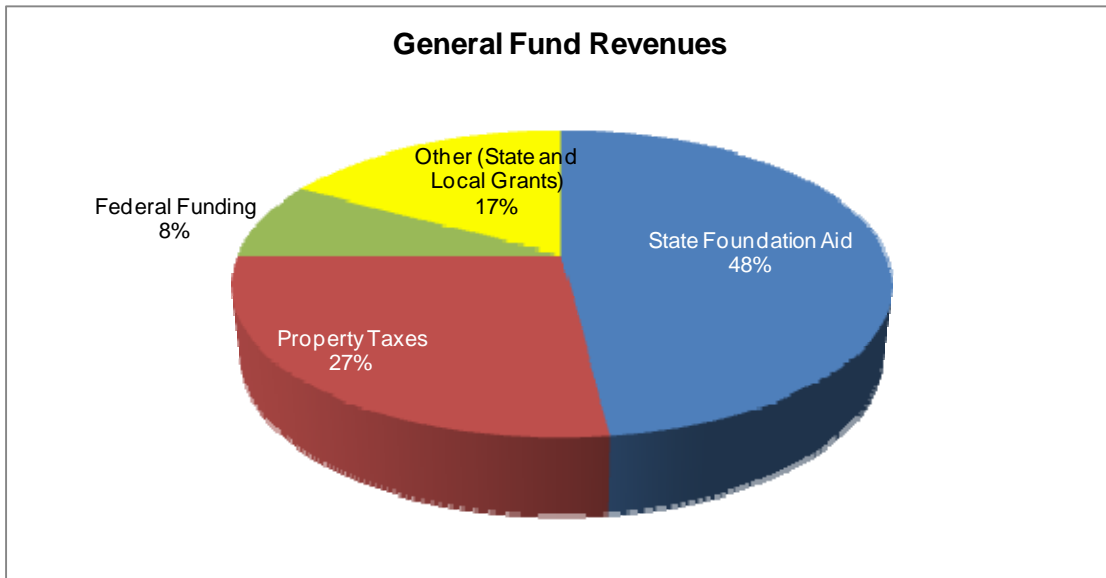
As in past years, the District continued to operate within its total statutory budgetary parameters. That is, expenditures (including transfers) for all funds by major function were less than anticipated, 98.8 percent of budget.

- **Revenue:** Government-wide revenues were \$457.1 million, which primarily consisted of state aid, property taxes, federal grants and local option sales taxes. General Fund revenues accounted for 84 percent of the Government-wide revenue. Program specific revenues in the form of charges for services and grants, and contributions accounted for 26 percent of total fiscal year 2014 revenues.

The General Fund had \$384.2 million in revenues for fiscal year 2014, which primarily consisted of state aid and property taxes. General Fund revenues increased 3.4 percent in fiscal year 2014, primarily due to a slight increase in overall enrollment coupled with an increase in state aid.

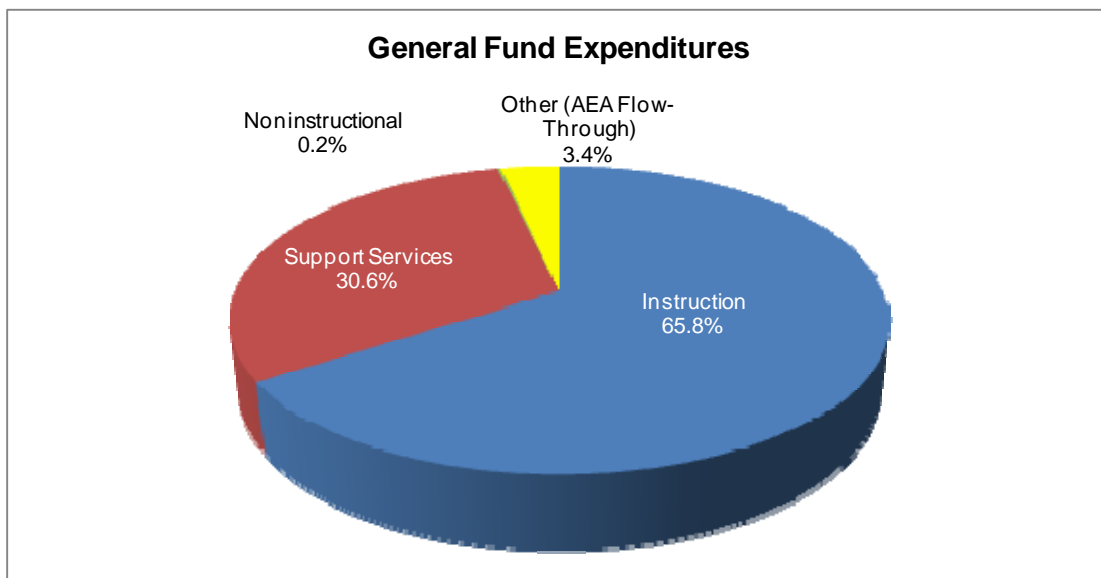
Des Moines Independent Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2014**



Expenses: Government-wide expenses were \$439.1 million related to governmental activities, of which \$118.9 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$338.2 million provided for the remaining costs of these programs.

The General Fund had \$381.1 million in fiscal year 2014 expenditures, which primarily consisted of instructional expenditures. General Fund expenditures increased six percent, primarily due to an increase in overall FTEs, one-time initiatives to increase efficiency and effectiveness, as well as increased benefit costs for previously existing FTEs.



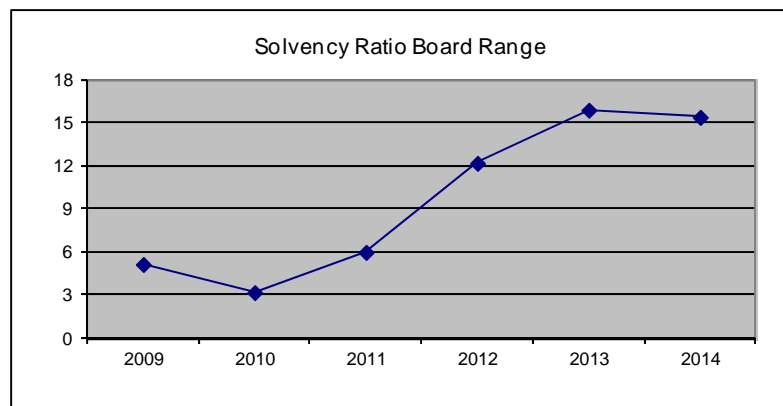
Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

- **General Fund Balance and Solvency Ratio:** The District's overall General Fund balance increased from \$74.0 million as of June 30, 2013 to \$76.4 million as of June 30, 2014, an increase of \$2.4 million. The District, like all school districts in the state, is required to maintain a balanced budget. In an effort to balance the district budget, one of many strategies the district employed was to ensure revenue and expenditures remained balanced.

The General Fund unassigned portion of fund balance decreased from \$49.2 million as of June 30, 2013 to \$45.7 million as of June 30, 2014, a decrease of \$3.5 million.

The District's solvency ratio also decreased from 15.9 percent as of June 30, 2013 to 15.4 percent as of June 30, 2014.



The Board established a solvency ratio minimum of 15 percent during FY13. The Iowa Association of School Boards (IASB) considers a solvency ratio of 0-5 percent to be adequate for short-term credit purposes, while a ratio of 5-10 percent is within "target" or "good" and, therefore, "can handle the unexpected." The GFOA recommends at least two months of expenditures of cash on hand, which equates to approximately a 17 percent solvency ratio for the District.

- **Debt:** The District's total long-term debt increased by a net of \$64.1 million during the current fiscal year due to the issuance of sales tax revenue bonds during the year. The total outstanding bond debt at the end of the fiscal year is approximately \$195.99 million, consisting of revenue bonds.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status. That is, all of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when the cash is received or paid.

Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively. However, to assess the District's overall financial health, nonfinancial factors should also be considered, such as changes in the District's property tax base and the condition of District school buildings.

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

- **Governmental activities:** These are activities primarily supported by property taxes and intergovernmental revenues such as state aid or federal funding, and expenditures are classified by function such as instruction, support services, operation and maintenance of plant, student transportation, operation of noninstructional services and capital construction.
- **Business-type activities:** These are supported by fees charged by the District to help cover the costs of services such as food services, child care services, home remodeling, automotive services and a wellness center.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on individual parts (funds) of the District, reporting the District's operations in more detail than the Government-wide statements. Some funds are required by state law or bond covenants; some are established to control and manage money for particular purposes.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide financial statements. These statements explain how basic services, such as regular program and special education, were financed in the short-term as well as what remains for future spending.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Projects Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. This aggregated information includes the Special Revenue Funds of Student Activity; Management and DMPS (expendable trust funds); Capital Projects Funds of Physical Plant and Equipment Levy (PPEL) and Public Education and Recreation Levy (PERL); Permanent Funds; and the Debt Service Fund.

- **Proprietary funds:** Proprietary funds offer short-term and long-term financial information about the activities the District operates like businesses, i.e. fees are charged to cover the cost of services rendered.

These funds include activities defined as enterprise funds and internal service funds. The District's enterprise funds are all considered nonmajor and include School Nutrition, Child Care, Home Construction, Automotive and Wellness Center.

The District has four internal service funds, Self Insurance, Risk Management, Collage and Print Shop. Because all of these services predominately benefit the District's governmental activities, rather than the business-type activities, they have been included in the governmental activities in the Government-wide financial statements.

- **Fiduciary funds:** Fiduciary funds provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the Government-wide financial statements because the resources of those funds are not available to support the District's own programs. These funds include Pension Trust, Private Purpose Trust and Agency Funds.

Notes to basic financial statements: The financial statements also include notes that provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

Major features of the Government-wide and fund financial statements:

| | Government-Wide Statements | Fund Financial Statements | | |
|-------------------------------------|---|--|--|---|
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire District (except fiduciary funds) | Activities that are not proprietary or fiduciary, such as instruction, administration, and building maintenance | Activities the District operates similar to private businesses such as school nutrition | Activities the District administers resources on behalf of someone else, such as scholarships |
| Required financial statements | Statement of Net Position | Balance Sheet | Statement of Net Position | Statement of Fiduciary Net Position |
| | Statement of Activities | Statement of Revenues, Expenditures and Changes in Fund Balances | Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows | Statement of Changes in Fiduciary Net Position |
| Accounting basis | Accrual accounting | Modified accrual accounting | Accrual accounting | Accrual accounting |
| Measurement focus | Economic resources focus | Current financial focus | Economic resources focus | Economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital and short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or within specified periods after year-end of the year; expenditures when goods or services are received and liability is due and payable | All revenues and expenses during the year, regardless of when cash is received or paid | All additions and deductions during the year, regardless of when cash is received or paid |

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and other postemployment benefit information. The District adopts an annual budget for all budgeted governmental funds, enterprise and trust funds in total. A budgetary comparison schedule has been provided.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

Government-Wide Financial Analysis

Net position: The following table presents a summary of the District's net position for the year ended June 30, 2014 with comparison totals as of June 30, 2013:

| | Governmental Activities 2014 | Governmental Activities 2013 | Business-Type Activities 2014 | Business-Type Activities 2013 | Total 2014 | Total 2013 |
|----------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------------|-----------------------|
| Current assets and other assets | \$ 434,772,230 | \$ 370,298,662 | \$ 2,611,371 | \$ 1,825,547 | \$ 437,383,601 | \$ 372,124,209 |
| Capital assets, net | 461,075,875 | 431,803,090 | 2,035,725 | 2,002,716 | 463,111,600 | 433,805,806 |
| Total assets | 895,848,105 | 802,101,752 | 4,647,096 | 3,828,263 | 900,495,201 | 805,930,015 |
| Current liabilities | 80,576,423 | 70,381,343 | 926,241 | 1,441,372 | 81,502,664 | 71,822,715 |
| Long-term liabilities | 227,140,073 | 157,519,803 | 71,036 | 62,714 | 227,211,109 | 157,582,517 |
| Total liabilities | 307,716,496 | 227,901,146 | 997,277 | 1,504,086 | 308,713,773 | 229,405,232 |
| Deferred inflows of resources | 119,674,568 | 122,372,255 | - | - | 119,674,568 | 122,372,255 |
| Net position: | | | | | | |
| Net investment in capital assets | 385,508,379 | 373,455,547 | 2,035,725 | 2,002,716 | 387,544,104 | 375,458,263 |
| Restricted | 27,692,220 | 28,273,606 | - | - | 27,692,220 | 28,273,606 |
| Unrestricted | 55,256,442 | 50,099,198 | 1,614,094 | 321,461 | 56,870,536 | 50,420,659 |
| Total net position | \$ 468,457,041 | \$ 451,828,351 | \$ 3,649,819 | \$ 2,324,177 | \$ 472,106,860 | \$ 454,152,528 |

The District's combined net position was greater as of June 30, 2014 than June 30, 2013. The increase occurred primarily in the governmental activities net capital assets as a result of the capitalization of school renovation, major repair projects that were completed as part of the District's Schools First and Students First Renovation Plans, the increase derived from the additional revenue bonding the District performed in 2012 (\$71.9M), as well as the additional bonding in 2013 (\$8.78M) and in 2014 (\$61.9) M. It should be noted that the District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District also expended less than the revenues received, thus causing an increase in net position.

At the end of the current fiscal year, the District is able to report a positive balance in total net position. The same held true for the prior year.

Changes in net position: The following schedule shows the changes in net position for the year ended June 30, 2014 with comparison totals for the year ended June 30, 2013. The difference between revenues and expenditures represents the change in net position.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

| | Governmental Activities 2014 | Governmental Activities 2013 | Business-Type Activities 2014 | Business-Type Activities 2013 | Total 2014 | Total 2013 |
|--|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|--------------------|--------------------|
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 24,053,715 | \$ 23,090,345 | \$ 6,606,323 | \$ 6,271,284 | \$ 30,660,038 | \$ 29,361,629 |
| Operating grants and contributions | 73,477,654 | 76,875,344 | 14,772,639 | 13,801,050 | 88,250,293 | 90,676,394 |
| Capital grants and contributions | 13,668 | - | 9,365 | - | 23,033 | - |
| General revenues: | | | | | | |
| Property taxes | 121,571,048 | 118,021,070 | - | - | 121,571,048 | 118,021,070 |
| Sales tax, capital projects | 27,898,170 | 27,431,076 | - | - | 27,898,170 | 27,431,076 |
| Investment earnings | 533,415 | 377,933 | - | - | 533,415 | 377,933 |
| State aid and other state sources | 186,285,458 | 174,578,921 | - | - | 186,285,458 | 174,578,921 |
| Other including transfers from fiduciary fund | 1,877,806 | 1,439,852 | - | - | 1,877,806 | 1,439,852 |
| Total revenues | 435,710,934 | 421,814,541 | 21,388,327 | 20,072,334 | 457,099,261 | 441,886,875 |
| Expenses: | | | | | | |
| Instruction | 269,507,255 | 258,926,988 | - | - | 269,507,255 | 258,926,988 |
| Support services | 127,421,918 | 112,044,073 | - | - | 127,421,918 | 112,044,073 |
| Noninstructional | 2,171,793 | 2,904,231 | - | - | 2,171,793 | 2,904,231 |
| Other expenses | 19,303,399 | 19,603,752 | 20,740,564 | 19,492,031 | 40,043,963 | 39,095,783 |
| Total expenses | 418,404,365 | 393,479,044 | 20,740,564 | 19,492,031 | 439,144,929 | 412,971,075 |
| Increase in net position before transfers | 17,306,569 | 28,335,497 | 647,763 | 580,303 | 17,954,332 | 28,915,800 |
| Transfers | (677,879) | - | 677,879 | - | - | - |
| Change in net position | 16,628,690 | 28,335,497 | 1,325,642 | 580,303 | 17,954,332 | 28,915,800 |
| Net position, beginning | 451,828,351 | 423,492,854 | 2,324,177 | 1,743,874 | 454,152,528 | 425,236,728 |
| Net position, ending | \$ 468,457,041 | \$ 451,828,351 | \$ 3,649,819 | \$ 2,324,177 | \$ 472,106,860 | \$ 454,152,528 |

- The main revenue sources of state aid and other state sources, property and sales taxes account for 73.5 percent of total revenue.
- The District's expenses primarily relate to instruction and support services which account for 90.4 percent of the total expenses.
- Overall the District had an increase in net position of \$17,954,332 which equates to a 4.0 percent increase over the prior year.
- Governmental activities increased the net position by \$16,628,690 or 3.7 percent of the total growth in net position. The change was due primarily to a slight increase in overall enrollment and an increase in state aid revenue compared to fiscal year 2013.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

Governmental Activities

- State foundation aid and other state sources, property taxes and sales taxes are the primary sources of revenue for the District, 43 percent, 28 percent and 6 percent, respectively, of total governmental activities revenues for fiscal year 2014 compared to 41 percent, 28 percent and 7 percent, respectively, for fiscal year 2013. Overall revenue increased 3 percent due to an increase in state aid revenue and property taxes and an offsetting decrease in operating grants and contributions. Instruction constitutes the largest portion of expenditures at \$269.5 million or 64 percent of governmental activities expenses. The District offers a wide array of programs including general and special education, vocational and college preparatory classes.
- The noninstructional and other expenses of the District accounted for 5.1 percent of total costs.

Net Cost: The following table presents the total and net cost of the District's major governmental activities including instruction, other support services, noninstructional programs and other expenses, with comparative totals for 2013:

| | 2014 | | 2013 | |
|---------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | Total Expenses | Net (Expense) Revenue | Total Expenses | Net (Expense) Revenue |
| Instruction | \$ 269,507,255 | \$ (192,590,492) | \$ 258,926,988 | \$ (176,635,655) |
| Other support services | 127,421,918 | (120,042,832) | 112,044,073 | (106,694,064) |
| Noninstructional programs | 2,171,793 | (2,009,367) | 2,904,231 | (2,815,291) |
| Other expenses | 19,303,399 | (6,216,637) | 19,603,752 | (7,368,345) |
| Total expenses | \$ 418,404,365 | \$ (320,859,328) | \$ 393,479,044 | \$ (293,513,355) |

Net cost of governmental activities was financed by general revenues, which are made up of primarily property taxes and state aid. Federal and state governments and charges for services subsidized certain programs with federal stimulus funds, grants and contributions, and other local revenues of \$97.5 million or 22.4 percent of total governmental activities expenses.

Business-Type Activities – Change in Net Position:

- The School Nutrition and Child Care programs constitute the majority of the business-type activities.
- The School Nutrition's primary sources of revenue are federal revenue and student fees and the primary expenses are staff and commodities. The District's free and reduced participation continued to increase during the fiscal year; therefore, the amount of federal revenue continued to increase, while the amount of student fees decreased. The School Nutrition Fund had a change in net position of \$646,460 for fiscal year 2014.
- The primary source of revenue for the Child Care program is child care fees and the primary expense is staff. The Child Care Fund had a change in net position of \$(4,543).

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

Financial Analysis of the District's Funds

Governmental Funds Highlights

General Fund:

- The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$2.4 million. The District's solvency ratio (unassigned plus assigned fund balance/General Fund expenditures) decreased from 15.9 percent to 15.4 percent primarily due to an increase in committed funds for specific future purposes.
- The increase in General Fund revenues (3.4 percent) compared to fiscal year 2013 was primarily due to state aid increase of 6.7 percent, property tax increase of 3.2 percent and federal decrease of 20.8 percent.
- The increase in General Fund expenditures (6.2 percent) compared to fiscal year 2013 was primarily due to an increase in overall FTEs, one-time initiatives to increase efficiency and effectiveness while enhancing the district's use of technology, as well as increased benefit costs for previously existing FTEs.

Capital Projects Fund:

- The Capital Projects Fund has a total fund balance of \$132.7 million for 2014 and \$78.6 million for 2013. The net increase in the Capital Projects fund for the fiscal year was primarily due to consistent expenditures from the state-wide penny projects coupled with receipt of the revenue bonds in FY14 (\$61.9M).

Proprietary Fund Highlights

There are no major enterprise funds. The School Nutrition Fund represents 81 percent of the expenses of total enterprise funds. The District's percent of students eligible for free and reduced meals decreased slightly from fiscal year 2013 (68.11 percent) to 2014 (67.68 percent), resulting in a slight decrease in nonoperating revenue from the federal government to cover these meals and a decrease in operating revenues from meal charges to students.

Budgetary Highlights

In accordance with state law, the school board annually adopts a budget following the public notice and hearing requirements. Although the budget documents presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared in accordance with accounting principles generally accepted in the United States of America. As is the District's practice, the District modified its adopted budget once during fiscal year 2014.

- As in past years, the District continued to operate within its total statutory budgetary parameters. That is, expenditures (including transfers) for all funds by major function were less than anticipated, at 99.2 percent of the final budget.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

- The District's General Fund, its principal operating fund, continues to remain financially solvent.
- The District received 99.5 percent of budgeted General Fund revenues, property taxes collected were slightly below budget, federal revenues were 90.8% of budget; other revenues were 109.0% of budget. Overall General Fund revenue decreased 0.5 percent over the prior year primarily due to decreases in federal revenue.
- The District spent 99.4 percent of budgeted General Fund expenditures based on the final budget. General Fund expenditures increased primarily due to an increase overall FTEs, one-time initiatives to increase efficiency and effectiveness while enhancing the district's use of technology, as well as increased benefit costs for previously existing FTEs.
- At the end of fiscal year 2014, the projected Unspent Authorized Budget ratio for the General Fund was 15.0 percent, a negative decrease when compared to 17.2 percent at the end of fiscal year 2013.

Capital Assets and Debt Administration

Capital Assets: As of June 30, 2014, the District had invested \$463.1 million in capital assets, including school buildings and major repairs, athletic facilities, buses and other vehicles, computers and other equipment. This amount represents a net increase of \$29.3 million from last year, primarily due to the accelerated spending on the Schools First and Students First school renovation plan as a result of the receipt of the proceeds of \$70 million in revenue bonds during fiscal year 2010, again in 2012 (\$71.9M), as well as additional bonding in 2013 (\$8.78M) and in 2014 (\$61.9M).

The following schedule presents capital asset balances, net of accumulated depreciation, for the fiscal year ended June 30, 2014, compared with balances as of June 30, 2013:

| | Governmental Activities 2014 | Governmental Activities 2013 | Business-Type Activities 2014 | Business-Type Activities 2013 | Total 2014 | Total 2013 |
|--------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------------|-----------------------|
| Land | \$ 4,113,994 | \$ 4,113,994 | \$ 60,724 | \$ - | \$ 4,174,718 | \$ 4,113,994 |
| Construction-in-progress | 49,504,100 | 56,161,761 | - | - | 49,504,100 | 56,161,761 |
| Land improvements | 2,626,896 | 2,851,079 | - | - | 2,626,896 | 2,851,079 |
| Buildings and improvements | 393,936,316 | 359,403,479 | - | - | 393,936,316 | 359,403,479 |
| Vehicles, furniture and equipment | 10,894,569 | 9,272,777 | 1,975,001 | 2,002,716 | 12,869,570 | 11,275,493 |
| Total | \$ 461,075,875 | \$ 431,803,090 | \$ 2,035,725 | \$ 2,002,716 | \$ 463,111,600 | \$ 433,805,806 |

Additional information on the District's capital assets can be found in Note 5 to the Basic Financial Statements.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

Debt Administration: As of June 30, 2014, the District had \$195.99 million in bonds outstanding, of which \$6.32 million is due within one year. The following table presents a summary of the District's outstanding long-term debt for the year ended June 30, 2014, with comparative information as of June 30, 2013:

| | <u>2014</u> | <u>2013</u> |
|-------------------|-----------------------|-----------------------|
| Sales tax revenue | <u>\$ 195,985,000</u> | <u>\$ 131,860,000</u> |

State statutes currently limit the amount of debt a district may issue to five percent of its total assessed valuation. The current debt limitation for the District is \$536.0 million which is substantially more than the District's outstanding debt.

Additional information about the District's debt can be found in Note 6 to the basic financial statements.

Factors Bearing on the District's Future

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

- District enrollment increased slightly from October 2013 to October 2014 by 0.01 percent. The enrollment in October 2012 times the district cost per student determines the amount of state foundation aid the district will receive for fiscal year 2014 from a combination of state aid and property taxes. The cost per student from year to year increases by a factor known as allowable growth. Normally, allowable growth is set by the legislature two years prior to the year it will affect the cost per student. The allowable growth rate for fiscal year 2014 was two percent plus a one-time amount of two percent, allowable growth rate for fiscal year 2015 is four percent.
- Enrollment per modeling done by the Iowa Department of Education is projected to remain stable or increase slightly in future years.
- The statewide penny sales (SWP) tax was implemented in the District on July 1, 2010. The District's SWP tax revenue for each fiscal year is calculated by multiplying the certified enrollment by the statewide average tax revenue per student. The statewide average is calculated by dividing the total statewide penny sales tax revenue by the statewide enrollment. For fiscal year 2013-14, total statewide penny sales tax revenue was projected to increase to \$414,377,340, while statewide enrollment increased to 476,245, producing a statewide average tax revenue per student of \$870 for fiscal year 2013-14. The Iowa Department of Management anticipates the statewide average will continue to increase 1-2 percent each year through fiscal year 2014-15.

Des Moines Independent Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2014**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, please contact Thomas Harper, Chief Financial Officer, of the Business and Finance Department, 242-7745, Des Moines Independent Community School District, 901 Walnut Street, Des Moines, Iowa 50309.

Des Moines Independent Community School District

**Statement of Net Position
June 30, 2014**

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|-----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 157,452,221 | \$ 1,647,516 | \$ 159,099,737 |
| Cash held with agent | 18,626,480 | - | 18,626,480 |
| Property taxes receivable - current year | 1,397,647 | - | 1,397,647 |
| Property taxes receivable - succeeding year | 119,674,568 | - | 119,674,568 |
| Interest receivable | 117,526 | - | 117,526 |
| Other receivables, net of allowances for uncollectible of \$208,154 | 327,714 | 415,874 | 743,588 |
| Due from other governments | 20,330,982 | 124,201 | 20,455,183 |
| Inventories | 539,865 | 423,743 | 963,608 |
| Prepaid expenses | 655,467 | 37 | 655,504 |
| Total current assets | 319,122,470 | 2,611,371 | 321,733,841 |
| Noncurrent assets: | | | |
| Restricted cash and investments | 115,649,760 | - | 115,649,760 |
| Capital assets: | | | |
| Capital assets - nondepreciable | 53,618,094 | 60,724 | 53,678,818 |
| Capital assets - depreciable, net | 407,457,781 | 1,975,001 | 409,432,782 |
| Total capital assets | 461,075,875 | 2,035,725 | 463,111,600 |
| Total noncurrent assets | 576,725,635 | 2,035,725 | 578,761,360 |
| Total assets | \$ 895,848,105 | \$ 4,647,096 | \$ 900,495,201 |

See Notes to Basic Financial Statements.

| | Governmental Activities | Business-Type Activities | Total |
|---------------------------------------|----------------------------|-----------------------------|-----------------------|
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 11,095,785 | \$ 152,911 | \$ 11,248,696 |
| Claims payable | 5,419,541 | - | 5,419,541 |
| Accrued payroll | 31,592,591 | 254,699 | 31,847,290 |
| Accrued interest payable | 709,435 | - | 709,435 |
| Other current liabilities | 4,770,145 | - | 4,770,145 |
| Due to other governments | 9,316,226 | 13,842 | 9,330,068 |
| Internal balances | (83,834) | 83,834 | - |
| Unearned revenue | 35,439 | 241,385 | 276,824 |
| Compensated absences | 3,055,399 | 179,570 | 3,234,969 |
| Special termination benefits | 4,820,696 | - | 4,820,696 |
| Revenue bonds | 9,845,000 | - | 9,845,000 |
| Total current liabilities | 80,576,423 | 926,241 | 81,502,664 |
| Noncurrent liabilities: | | | |
| Retrospective insurance rating plan | 397,826 | - | 397,826 |
| Compensated absences | 1,476,162 | 71,036 | 1,547,198 |
| Special termination benefits | 8,857,464 | - | 8,857,464 |
| Other postemployment benefits | 18,103,666 | - | 18,103,666 |
| Pollution remediation liability | 55,800 | - | 55,800 |
| Revenue bonds, net bond premiums | 198,249,155 | - | 198,249,155 |
| Total noncurrent liabilities | 227,140,073 | 71,036 | 227,211,109 |
| Total liabilities | 307,716,496 | 997,277 | 308,713,773 |
| Deferred Inflows of Resources, | | | |
| unavailable revenue - property taxes | 119,674,568 | - | 119,674,568 |
| Net Position | | | |
| Net investment in capital assets | 385,508,379 | 2,035,725 | 387,544,104 |
| Restricted for: | | | |
| DMPS expendable trust | 4,326,557 | - | 4,326,557 |
| Permanent trust | 11,564 | - | 11,564 |
| Categorical funding | 6,598,786 | - | 6,598,786 |
| Shared programs | 1,012,844 | - | 1,012,844 |
| Medicaid | 58,611 | - | 58,611 |
| Grants | 801,406 | - | 801,406 |
| Management levy | 4,276,535 | - | 4,276,535 |
| Physical plant and equipment levy | 8,542,630 | - | 8,542,630 |
| Public education and recreation levy | 210,046 | - | 210,046 |
| Capital projects | 155,511 | - | 155,511 |
| Student activities | 1,697,730 | - | 1,697,730 |
| Unrestricted | 55,256,442 | 1,614,094 | 56,870,536 |
| Total net position | \$ 468,457,041 | \$ 3,649,819 | \$ 472,106,860 |

Des Moines Independent Community School District

**Statement of Activities
Year Ended June 30, 2014**

| Functions/Programs | Expenses | Program Revenues | | |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental activities: | | | | |
| Instruction | \$ 269,507,255 | \$ 9,796,930 | \$ 67,106,165 | \$ 13,668 |
| Student services | 21,897,132 | - | 2,700,702 | - |
| Instructional support services | 13,454,781 | - | 2,794,840 | - |
| General administration | 6,199,577 | - | - | - |
| Building administration | 19,406,283 | - | - | - |
| Business and central administration | 14,198,791 | - | - | - |
| Plant operation and maintenance | 39,242,957 | 533,595 | 282,089 | - |
| Student transportation | 13,022,397 | 636,428 | 431,432 | - |
| Noninstructional | 2,171,793 | - | 162,426 | - |
| AEA support | 13,086,762 | 13,086,762 | - | - |
| Interest and issuance costs on long-term debt | 6,216,637 | - | - | - |
| Total governmental activities | 418,404,365 | 24,053,715 | 73,477,654 | 13,668 |
| Business-type activities: | | | | |
| School nutrition | 16,888,843 | 2,753,299 | 14,772,639 | 9,365 |
| Child care | 3,804,322 | 3,799,779 | - | - |
| Home construction | 2,305 | - | - | - |
| Automotive | 45,094 | 53,159 | - | - |
| Wellness center | - | 86 | - | - |
| Total business-type activities | 20,740,564 | 6,606,323 | 14,772,639 | 9,365 |
| Total primary government | \$ 439,144,929 | \$ 30,660,038 | \$ 88,250,293 | \$ 23,033 |

General revenues:

- Property taxes:
 - Levied for general purposes
 - Levied for management
 - Levied for property, plant and equipment
 - Levied for playground
- Sales tax, for capital projects
- State foundation aid, for general purposes
- Investment earnings
- Other local sources

Transfers

Total general revenues

Changes in net position
 Net position, beginning of year
 Net position, end of year

See Notes to Basic Financial Statements.

| Net (Expense) Revenue and Changes in Net Position | | |
|---|-----------------------------|------------------|
| Governmental Activities | Business-Type Activities | Totals |
| \$ (192,590,492) | \$ - | \$ (192,590,492) |
| (19,196,430) | - | (19,196,430) |
| (10,659,941) | - | (10,659,941) |
| (6,199,577) | - | (6,199,577) |
| (19,406,283) | - | (19,406,283) |
| (14,198,791) | - | (14,198,791) |
| (38,427,273) | - | (38,427,273) |
| (11,954,537) | - | (11,954,537) |
| (2,009,367) | - | (2,009,367) |
| - | - | - |
| (6,216,637) | - | (6,216,637) |
| (320,859,328) | - | (320,859,328) |
| - | 646,460 | 646,460 |
| - | (4,543) | (4,543) |
| - | (2,305) | (2,305) |
| - | 8,065 | 8,065 |
| - | 86 | 86 |
| - | 647,763 | 647,763 |
| (320,859,328) | 647,763 | (320,211,565) |
| 103,598,448 | - | 103,598,448 |
| 10,136,078 | - | 10,136,078 |
| 6,956,453 | - | 6,956,453 |
| 880,069 | - | 880,069 |
| 27,898,170 | - | 27,898,170 |
| 186,285,458 | - | 186,285,458 |
| 533,415 | - | 533,415 |
| 1,877,806 | - | 1,877,806 |
| (677,879) | 677,879 | - |
| 337,488,018 | 677,879 | 338,165,897 |
| 16,628,690 | 1,325,642 | 17,954,332 |
| 451,828,351 | 2,324,177 | 454,152,528 |
| \$ 468,457,041 | \$ 3,649,819 | \$ 472,106,860 |

Des Moines Independent Community School District

**Balance Sheet
Governmental Funds
June 30, 2014**

| | General | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------------|-----------------------|-----------------------------------|--------------------------------|
| Assets | | | | |
| Cash and investments | \$ 111,979,936 | \$ - | \$ 21,646,005 | \$ 133,625,941 |
| Restricted cash and investments | - | 113,900,179 | 1,749,581 | 115,649,760 |
| Cash held with agent | - | 18,626,480 | - | 18,626,480 |
| Property taxes receivable - current year | 1,192,331 | - | 205,316 | 1,397,647 |
| Property taxes receivable - succeeding year | 99,507,782 | - | 20,166,786 | 119,674,568 |
| Interest receivable | 117,526 | - | - | 117,526 |
| Other receivables | 324,121 | - | 3,593 | 327,714 |
| Due from other governments | 14,424,189 | 5,890,221 | 16,572 | 20,330,982 |
| Inventories | 493,325 | - | - | 493,325 |
| Prepaid items | 640,644 | - | 6,587 | 647,231 |
| Total assets | \$ 228,679,854 | \$ 138,416,880 | \$ 43,794,440 | \$ 410,891,174 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 7,062,400 | \$ 2,967,362 | \$ 1,444,226 | \$ 11,473,988 |
| Accrued payroll | 31,573,598 | - | 17,447 | 31,591,045 |
| Special termination benefits | 453,892 | - | 2,608,397 | 3,062,289 |
| Other current liabilities | 3,377,385 | 1,381,586 | 11,174 | 4,770,145 |
| Due to other governments | 8,754,240 | - | 52,269 | 8,806,509 |
| Compensated absences | 500,135 | - | 11,954 | 512,089 |
| Total liabilities | 51,721,650 | 4,348,948 | 4,145,467 | 60,216,065 |
| Deferred inflows of resources: | | | | |
| Succeeding year - property taxes | 99,507,782 | - | 20,166,786 | 119,674,568 |
| Unavailable revenue - sales tax | - | 1,385,762 | - | 1,385,762 |
| Unavailable revenue - intergovernmental | 1,022,948 | - | 12,712 | 1,035,660 |
| Total deferred inflows of resources | 100,530,730 | 1,385,762 | 20,179,498 | 122,095,990 |
| Fund balances: | | | | |
| Nonspendable | 1,133,969 | - | 16,465 | 1,150,434 |
| Restricted | 8,471,647 | 132,682,170 | 19,453,010 | 160,606,827 |
| Committed | 11,500,000 | - | - | 11,500,000 |
| Assigned | 9,646,302 | - | - | 9,646,302 |
| Unassigned | 45,675,556 | - | - | 45,675,556 |
| Total fund balances | 76,427,474 | 132,682,170 | 19,469,475 | 228,579,119 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 228,679,854 | \$ 138,416,880 | \$ 43,794,440 | \$ 410,891,174 |

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Reconciliation of Total Governmental Fund Balances to Net Position
of Governmental Activities**

June 30, 2014

Total governmental fund balances \$ 228,579,119

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds:

| | | |
|-----------------------------------|----------------------|-------------|
| Land | \$ 4,113,994 | |
| Construction-in-progress | 49,504,100 | |
| Land improvements | 9,859,510 | |
| Buildings and improvements | 515,025,882 | |
| Vehicles, furniture and equipment | 25,318,866 | |
| Accumulated depreciation | <u>(142,801,016)</u> | 461,021,336 |

Other long-term assets are not available to pay for current-period expenditures and, therefore, reported as deferred inflows of resources - unavailable revenue, in the governmental funds 2,421,422

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance benefits for employees and print shop services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 20,107,387

Certain liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. These liabilities at year-end consist of:

| | | |
|--|---------------------|------------------------------|
| Compensated absences | (4,000,951) | |
| Sales tax revenue bonds | (195,985,000) | |
| Bond premiums | (12,109,155) | |
| Accrued interest payable | (709,435) | |
| Claims payable for workers' compensation | (1,694,519) | |
| Retrospective insurance rating plan | (397,826) | |
| Other postemployment benefits | (18,103,666) | |
| Pollution remediation liability | (55,800) | |
| Special termination benefits | <u>(10,615,871)</u> | <u>(243,672,223)</u> |
| Net position of governmental activities | | <u>\$ 468,457,041</u> |

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2014

| | General | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------|--------------------|-----------------------------------|--------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 103,598,448 | \$ - | \$ 17,972,600 | \$ 121,571,048 |
| Other local sources | 20,546,477 | 473,225 | 1,196,079 | 22,215,781 |
| Sales tax, for capital projects | - | 27,874,657 | - | 27,874,657 |
| Investment earnings | 219,691 | 59,246 | 254,478 | 533,415 |
| Intermediate sources | 708,970 | - | - | 708,970 |
| State foundation aid | 186,285,458 | - | - | 186,285,458 |
| Other state sources | 42,813,601 | - | - | 42,813,601 |
| Federal sources | 29,992,827 | - | 16,572 | 30,009,399 |
| Student activities | 18,579 | - | 3,017,380 | 3,035,959 |
| Total revenues | 384,184,051 | 28,407,128 | 22,457,109 | 435,048,288 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 250,737,832 | - | 7,618,023 | 258,355,855 |
| Student services | 21,330,587 | - | 329,719 | 21,660,306 |
| Instructional support services | 13,493,103 | - | 44,479 | 13,537,582 |
| General administration | 5,608,501 | - | 608,548 | 6,217,049 |
| Building administration | 19,109,637 | - | 408,558 | 19,518,195 |
| Business and central administration | 12,097,062 | - | 644,844 | 12,741,906 |
| Plant operation and maintenance | 34,985,860 | - | 3,782,377 | 38,768,237 |
| Student transportation | 10,058,262 | - | 2,246,041 | 12,304,303 |
| Noninstructional | 619,413 | - | 1,223,341 | 1,842,754 |
| AEA support | 13,086,762 | - | - | 13,086,762 |
| Capital outlay | - | 36,684,901 | 5,151,146 | 41,836,047 |
| Debt service: | | | | |
| Principal retirement | - | - | 6,595,000 | 6,595,000 |
| Interest | - | - | 6,036,366 | 6,036,366 |
| Bond issuance costs | - | 817,127 | - | 817,127 |
| Total expenditures | 381,127,019 | 37,502,028 | 34,688,442 | 453,317,489 |
| Excess (deficiency) of revenues over expenditures | 3,057,032 | (9,094,900) | (12,231,333) | (18,269,201) |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | 13,741 | - | 200,399 | 214,140 |
| Issuance of revenue bonds | - | 70,720,000 | - | 70,720,000 |
| Premiums on revenue bonds | - | 5,135,507 | - | 5,135,507 |
| Transfers in | - | - | 12,631,366 | 12,631,366 |
| Transfers out | (677,879) | (12,631,366) | - | (13,309,245) |
| Total other financing sources (uses) | (664,138) | 63,224,141 | 12,831,765 | 75,391,768 |
| Net change in fund balances | 2,392,894 | 54,129,241 | 600,432 | 57,122,567 |
| Fund balances, beginning of year | 74,034,580 | 78,552,929 | 18,869,043 | 171,456,552 |
| Fund balances, end of year | \$ 76,427,474 | \$ 132,682,170 | \$ 19,469,475 | \$ 228,579,119 |

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2014**

Net change in fund balances - total governmental funds \$ 57,122,567

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period and other transactions involving capital assets:

| | | |
|--------------------------------------|-----------------|------------|
| Capital outlay | \$ 40,938,222 | |
| Depreciation expense | (11,389,447) | |
| Proceeds from sale of capital assets | (214,140) | |
| Loss on sale of capital assets | <u>(51,155)</u> | 29,283,480 |

Revenues in statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in deferred inflows of resources - unavailable revenue (207,228)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums, whereas this amount is reported as a liability and amortized in the statement of activities:

| | | |
|--------------------------------------|----------------|--------------|
| Issuance of revenue bonds | (70,720,000) | |
| Premium on revenue bonds | (5,135,507) | |
| Repayment of bond and note principal | 6,595,000 | |
| Amortization of bond premiums | <u>854,187</u> | (68,406,320) |

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 governmental funds:

| | | |
|--|------------------|-------------|
| Increase in compensated absences | (570,073) | |
| Increase in retrospective insurance rating plan | (54,606) | |
| Increase in accrued interest expense | (217,331) | |
| Increase in claims payable for workers' compensation | (1,144,404) | |
| Decrease in pollution remediation liability | 382,284 | |
| Increase in other postemployment benefits | (4,138,000) | |
| Increase in special termination benefits | <u>(898,983)</u> | (6,641,113) |

Internal service funds are used by management to charge the costs of certain activities, such as self insurance benefits for employees and print shop services, to individual funds. The change in net position in the internal service funds is reported with governmental activities in the statement of activities.

| | | |
|--|-----------|--------------------------|
| | | <u>5,477,304</u> |
| Change in net position of governmental activities | \$ | <u>16,628,690</u> |

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Net Position
Proprietary Funds
June 30, 2014**

| | Nonmajor Enterprise Funds | Internal Service Funds |
|-------------------------------------|---------------------------------|------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,647,516 | \$ 23,826,280 |
| Other receivables, net | 415,874 | - |
| Due from other governments | 124,201 | - |
| Inventories | 423,743 | 46,540 |
| Prepaid items | 37 | 8,236 |
| Total current assets | 2,611,371 | 23,881,056 |
| Noncurrent assets: | | |
| Advances to other funds | 171,602 | 157,198 |
| Capital assets: | | |
| Nondepreciable | 60,724 | - |
| Depreciable, net | 1,975,001 | 54,539 |
| Total noncurrent assets | 2,207,327 | 211,737 |
| Total assets | \$ 4,818,698 | \$ 24,092,793 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | \$ 152,911 | \$ 62,102 |
| Claims payable | - | 3,284,717 |
| Accrued payroll | 254,699 | 1,546 |
| Due to other governments | 13,842 | 509,717 |
| Unearned revenue | 241,385 | 35,439 |
| Compensated absences | 179,570 | 9,014 |
| Total current liabilities | 842,407 | 3,902,535 |
| Noncurrent liabilities: | | |
| Advances from other funds | 255,436 | 73,364 |
| Compensated absences | 71,036 | 9,507 |
| Total noncurrent liabilities | 326,472 | 82,871 |
| Total liabilities | 1,168,879 | 3,985,406 |
| Net Position | | |
| Investment in capital assets | 2,035,725 | 54,539 |
| Unrestricted | 1,614,094 | 20,052,848 |
| Total net position | \$ 3,649,819 | \$ 20,107,387 |

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2014**

| | Nonmajor Enterprise Funds | Internal Service Funds |
|--|---------------------------------|------------------------------|
| Operating revenues: | | |
| Student activities | \$ 41,405 | \$ - |
| Charges for services: | | |
| Employee benefits | - | 56,402,197 |
| Sale of food | 2,753,299 | - |
| Child care | 3,799,779 | - |
| Miscellaneous | 11,840 | 275,489 |
| Total operating revenues | 6,606,323 | 56,677,686 |
| Operating expenses: | | |
| Student services | 16,549,078 | - |
| Depreciation | 381,204 | 10,695 |
| Community services | 3,806,627 | - |
| Claims and related costs | - | 50,890,165 |
| Miscellaneous | - | 299,522 |
| Total operating expenses | 20,736,909 | 51,200,382 |
| Operating income (loss) | (14,130,586) | 5,477,304 |
| Nonoperating revenues (expenses): | | |
| Other local sources | 225,441 | - |
| State sources | 147,065 | - |
| Federal sources | 14,400,133 | - |
| Loss on disposal of capital assets | (3,655) | - |
| Total nonoperating revenues | 14,768,984 | - |
| Income before capital contributions and transfers | 638,398 | 5,477,304 |
| Capital contributions | 9,365 | - |
| Transfers in | 677,879 | - |
| | 687,244 | - |
| Change in net position | 1,325,642 | 5,477,304 |
| Total net position, beginning of year | 2,324,177 | 14,630,083 |
| Total net position, end of year | \$ 3,649,819 | \$ 20,107,387 |

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Cash Flows Proprietary Funds Year Ended June 30, 2014

| | Nonmajor Enterprise Funds | Internal Service Funds |
|--|---------------------------------|---------------------------|
| Cash flows from operating activities: | | |
| Cash received from user charges | \$ 6,540,021 | \$ 56,662,828 |
| Cash payments to employees for services | (11,046,480) | (229,438) |
| Cash payments to suppliers for goods and services | (8,306,264) | (51,553,659) |
| Net cash provided by (used in) operating activities | (12,812,723) | 4,879,731 |
| Cash flows from noncapital financing activities: | | |
| Payments from other funds | 105,821 | 594,956 |
| Payments to other funds | (699,866) | (911) |
| Transfers in | 677,879 | - |
| Grants and donations received | 14,111,447 | - |
| Net cash provided by noncapital financing activities | 14,195,281 | 594,045 |
| Cash flows from capital and related financing activities: | | |
| Acquisition of capital assets | (370,618) | - |
| Proceeds from disposal of capital assets | 323 | - |
| Net cash (used in) capital and related financing activities | (370,295) | - |
| Net increase in cash and cash equivalents | 1,012,263 | 5,473,776 |
| Cash and cash equivalents, beginning of year | 635,253 | 18,352,504 |
| Cash and cash equivalents, end of year | \$ 1,647,516 | \$ 23,826,280 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | |
| Operating income (loss) | \$ (14,130,586) | \$ 5,477,304 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 381,204 | 10,695 |
| Commodities used | 967,002 | - |
| Changes in assets and liabilities: | | |
| Receivables | (120,446) | - |
| Inventories | 9,065 | 885 |
| Prepaid items | (37) | (3,236) |
| Accounts payable and due to other governments | (37,623) | 488,804 |
| Claims payable | - | (1,085,397) |
| Unearned revenue | 54,144 | (14,858) |
| Accrued liabilities and compensated absences | 64,554 | 5,534 |
| Net cash provided by (used in) operating activities | \$ (12,812,723) | \$ 4,879,731 |
| Noncash items: | | |
| Noncapital financing activities, commodities received from the U.S. Department of Agriculture | \$ 967,002 | \$ - |
| Capital and related financing activities: | | |
| Acquisition of capital assets through accounts payable | 6,161 | - |
| Capital contributions | 9,365 | - |
| Addition of capital assets through conversion of assets held for sale | 32,047 | - |

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Fiduciary Net Position
Fiduciary and Agency Funds
June 30, 2014**

| | Pension Trust | Private Purpose Trust | Agency Faculty and Staff |
|-----------------------------|-----------------------|--------------------------|--------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ - | \$ 731,271 | \$ 194,970 |
| Investments: | | | |
| Money market | 8,595,686 | - | - |
| U.S. government securities | 5,022,914 | 5,414 | - |
| Corporate equities | 45,491,017 | - | - |
| Mortgage-backed securities | 21,943,667 | - | - |
| Corporate obligations | 83,617,844 | - | - |
| Preferred stock | 3,479,582 | - | - |
| Municipal bonds | 73,576,577 | - | - |
| Other fixed income | 5,586,348 | - | - |
| Interest receivable | 2,503,287 | - | - |
| Other receivables | - | 1,500 | - |
| Total assets | \$ 249,816,922 | \$ 738,185 | \$ 194,970 |
| Liabilities | | | |
| Accounts payable | 19,440 | \$ - | \$ 8,848 |
| Due to other entities | - | - | 186,122 |
| Total liabilities | 19,440 | - | \$ 194,970 |
| Net Position | | | |
| Held in trust for: | | | |
| Employees' pension benefits | 249,797,482 | - | |
| Scholarships | - | 738,185 | |
| Total net position | \$ 249,797,482 | \$ 738,185 | |

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2014**

| | Pension Trust | Private Purpose Trust |
|---|-----------------------|--------------------------|
| Additions: | | |
| Contributions: | | |
| Employer | \$ 1,899,244 | \$ - |
| Employee | 1,587,349 | - |
| Private source | - | 6,845 |
| Total contributions | 3,486,593 | 6,845 |
| Investment earnings: | | |
| Net increase in fair value of investments | 9,984,201 | - |
| Interest | 9,157,333 | 621 |
| Dividends | 1,510,731 | - |
| Total investment earnings | 20,652,265 | 621 |
| Less investment expense | 137,274 | - |
| Net investment earnings | 20,514,991 | 621 |
| Total additions | 24,001,584 | 7,466 |
| Deductions: | | |
| Benefit payments | 14,708,864 | - |
| Resignation refunds | 65,141 | - |
| Beneficiary settlements | 753,203 | - |
| Scholarship awarded | - | 18,350 |
| Administrative costs | 64,696 | - |
| Other | - | 122 |
| Total deductions | 15,591,904 | 18,472 |
| Change in net position | 8,409,680 | (11,006) |
| Net position, beginning of year | 241,387,802 | 749,191 |
| Net position, end of year | \$ 249,797,482 | \$ 738,185 |

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies

The financial statements of the Des Moines Independent Community School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Nature of operations:

The Board of Directors (the Board) is organized under the Iowa Code. Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures.

The membership of the Board consists of seven members elected by the public. Under existing statutes, the Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls. The District's major operations include education, pupil transportation, construction and maintenance of District facilities and food service.

Reporting entity:

The District is a primary government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. The financial statements of the District include all District operations required to be included in accordance with GASB pronouncements concerning the reporting entity. 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 GASB has set forth criteria to be considered in determining financial accountability. These criteria are: a) 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; and b) fiscal dependency. In addition, GASB Standards, set forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the District and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. The District evaluated certain alumni foundations and determined those foundations to not be significant to the District as a whole. Therefore, the District has no component units which meet the GASB criteria that should be included in these basic financial statements.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Significant accounting policies:

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 interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. 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 services.

The statement of net position presents the District's nonfiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not required to be 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 funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, deferred inflows/outflows, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following is the District's major governmental funds:

General Fund: The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund: The Capital Projects Fund accounts for all revenues and expenditures generated through the collection of local option sales tax and expenditures attributable to the Schools First Renovation Program.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

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

Special Revenue Funds: Account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Student Activity Funds: This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extracurricular or cocurricular activities.

Management Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

DMPS (Expendable Trust) Fund: This fund accounts for transactions that are received in trust in which both the principal and interest earned can be used to support the District.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Capital Projects Funds: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Physical Plant and Equipment (PPEL) Levy Fund: This capital projects fund is authorized by Iowa Code Section 298.2 and accounts for transactions related to the improvement of facilities and grounds, construction of schoolhouses, certain equipment expenditures and other expenditures authorized in Iowa Code Section 298.3.

Public Education and Recreation Levy (PERL) Fund: This fund is authorized by Iowa Code Section 300.2 and accounts for transactions related to schoolhouse playgrounds and recreational activities within the District. This fund also accounts for community education activity.

Permanent Trust Fund: The Permanent Trust Fund accounts for transactions that are received in trust in which only the interest earned, and not the principal itself, can be used to support the District.

Proprietary Fund Types: Proprietary fund types are used to account for the District's ongoing activities which are operated similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

The following enterprise funds of the District are considered nonmajor:

School Nutrition Fund: This fund accounts for transactions related to the school lunch, breakfast and summer food programs authorized by Iowa Code Section 283A.

Child Care Fund: This fund accounts for transactions for before and after school child care and summer child care programs authorized by Iowa Code Sections 298A.12 and 279.49.

Preschool Fund: This fund accounted for transactions for preschool programs with an instructional component for children who have not yet met the age requirement for school-aged education. The state now provides free preschool to four year olds and program activities are now accounted for in the General Fund. As such, the District closed out this fund during the year ended June 30, 2014.

Home Construction Fund: This fund accounts for transactions for the home building activity performed by students as part of their instructional or extracurricular program. This fund also accounts for the sale of those homes.

Automotive Fund: This fund accounts for transactions for the service and repair of automobiles performed by students as part of their instructional or extracurricular program.

Wellness Center Fund: This fund accounts for transactions for facilities and services provided for the physical wellness of District employees and outside customers.

Internal Service Funds: The internal service funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District has the following internal service funds:

Self-Insurance Fund: This fund accounts for transactions for self-insured health insurances including medical, dental, prescription and vision received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurances listed above.

Risk Management Fund: This fund accounts for transactions for certain health insurances including life and disability received by District employees in which the District is responsible for paying all premiums as specified attributable to the insurances listed above.

Collage Fund: This fund accounts for transactions for materials for arts and crafts and services such as laminating and other related activities.

Print Shop Fund: This fund accounts for transactions for print shop and copying services.

Fiduciary Funds: Fiduciary funds account for assets held by the District in a trustee or agency capacity for the benefit of others and cannot be used to support District activities.

The District has the following fiduciary fund types:

Pension Trust Fund: The Pension Trust Fund (DMTRS) accounts for the District's defined contribution retirement plan for teachers. The fund provides pension benefits to eligible District teachers and administrators.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Private Purpose Trust Funds: These funds account for transactions that are received in trust in which both the principal and interest earned can be used to support the individuals or other organizations. The District's Private Purpose Trust Funds are primarily comprised of scholarship funds to benefit students.

Agency Fund: This fund accounts for assets held in a custodial capacity by the District for individuals, private organizations or other governments. PTAs and PTOs are generally accounted for in these funds. The District only reports assets and liabilities for this fund.

The Government-wide financial statements and the proprietary, pension trust and private purpose trust financial statements are reported using the "economic resources measurement focus." The proprietary pension trust and private purpose trust fund financial statements are reported using the accrual basis of accounting. The agency funds do not have a measurement focus but are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

Property tax when levied, for intergovernmental revenues when eligibility requirements have been met (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be measurable and are recorded as revenue, if available. 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, early retirement payments, other postemployment benefits and compensated absences are recognized as expenditures only when the liability has matured and payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital financing and 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 resources. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general resources.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 proprietary funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and claims, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Investments: The investments are stated at fair value. Short-term investments, which consist of nonnegotiable certificates of deposit, are reported at cost, which approximates fair value. Securities traded in a national or international exchange are valued at the last reported sales price at the current exchange rates.

Investment earnings: Investment earnings are composed of interest, dividends and net changes in the fair value of applicable investments.

Property tax receivable: Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors.

Current year property tax receivable represents unpaid taxes related to the April 2013 levy certification. Property taxes become due and collectible in September and March of the following fiscal year with a 1½ percent per month penalty for delinquent payments. This tax levy is based on January 1, 2012 assessed property valuations and is revenue for fiscal year ended June 30, 2014.

The succeeding year property tax receivable represents taxes certified by the Board of Directors in April 2014. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. The tax asking represents a lien which is effective on the first day of that calendar year. Although the succeeding year property tax receivable has been recorded, the related revenue is a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year ended June 30, 2015, the year for which it is levied.

Due from other governments and other receivables: Due from other governments and other receivables represents amounts due from the state of Iowa, other school districts, and other various grants, reimbursements and shared revenues. All receivables are shown net of an allowance for uncollectibles, if applicable. The District's nonmajor enterprise funds and business-type activities have reported an allowance of \$208,154 as of June 30, 2014 related to other receivables.

Inventories: Inventories are valued at the moving average cost for purchased items and contributed value (fair value at the date received) for government commodities and other donated items. Inventories are recorded as expenses when consumed in the Government-wide financial statements and proprietary funds' financial statements. In the governmental fund financial statements, inventories are accounted for using the consumption method whereby inventory acquisitions are recorded in inventory accounts when purchased and are charged to operations when consumed or sold. The fund balance in the governmental funds relating to inventories is reported as nonspendable.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the Government-wide and fund financial statements on the consumption method. The fund balance in the governmental funds relating to prepaid items is reported as nonspendable.

Capital assets: Capital assets which include land; land improvements; buildings and improvements; vehicles, furniture and equipment; and construction-in-progress are reported in the Government-wide financial statements and the proprietary funds' financial statements.

Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more (\$1,000 or more for the School Nutrition Fund) and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| | |
|-----------------------------------|---------------|
| Land improvements | 20 years |
| Buildings and improvements | 20 - 50 years |
| Vehicles, furniture and equipment | 5 - 15 years |

The District's collection of library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

Cash flows: For purpose of the cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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.

Unearned revenue: Unearned revenue in the statement of net position and in the governmental fund financial statements consists of unearned grant proceeds.

Deferred inflows of resources: In addition to liabilities, the statement of net position and balance sheet of the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from sales tax and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements and governmental fund statements, succeeding year property tax revenues are reported as a deferred inflow of resources and will become an inflow in the year for which they are levied.

Compensated absences: The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Accrued sick leave is earned by all full-time employees at the rate of 15 days annually. Sick leave balances are not paid upon termination of employment. Full-time employees earn vacation in accordance with their employment agreement. The current and long-term liabilities for accumulated vacation are accrued when incurred in the Government-wide and proprietary funds' financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements.

Long-term obligations: In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities on the statement of net position. Bond premiums are reported as a liability and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported in the year in which the expenses were incurred.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

In the fund financial statements, governmental fund types recognize bond premiums through current year operations. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Principal payments and bond issuance costs are reported as debt service expenditures.

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

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

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

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

Assigned: Amounts constrained by the District's intent to use them for a specific purpose. It is the District's policy that the authority to assign fund balance has been delegated by the District's Board of Directors to the Chief Financial Officer and Controller.

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. Residual deficit amounts of the governmental funds would also be reported as unassigned.

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

Net position: Net position represent the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Capital Projects Fund was \$132,526,659. Net position is reported as restricted in the Government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net position restricted through enabling legislation as of June 30, 2014 consists of \$4,276,535 for management levy, \$8,542,630 for physical plant and equipment levy, \$210,046 for public education and recreation levy and \$155,511 for capital projects.

Donor restricted net position include \$4,326,557 for net position in the DMPS (Expendable Trust) Fund which is to be used mainly for the Smouse School and \$11,564 in the Permanent Fund to be used for teacher education and training.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Concluded)

Net position restricted for other purposes consists of \$10,169,377 restricted for various grants and sponsored programs, including Medicaid programs and Student Activity balances.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Interfund activity: Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as “due to/from other funds” or “advances to/from other funds” in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Estimates: The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Legal Compliance

The District operates within the budget requirements for school districts as specified by state law and as prescribed by the Iowa Department of Management.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for budgeted governmental, enterprise and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, noninstructional programs and other expenditures. The District adopts its annual program budget on a GAAP basis of accounting.

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison as required supplementary information based on the program structure as required by state statute for its legally adopted budget.

The Child Care Fund and Collage Fund had deficit balances as of June 30, 2014, of \$269,021 and \$73,492, respectively. The District will analyze the fund's activity and take the necessary steps to reduce the negative fund balance.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments

As of June 30, 2014, the District's cash, cash equivalents and investments (including fiduciary fund assets) were as follows:

| | |
|--------------------------------------|-----------------------|
| Cash and other deposits | \$ 36,923,436 |
| Investments, primarily pension trust | 486,071,351 |
| | <u>\$ 522,994,787</u> |

In addition, the District has cash held with agent of \$18,626,480.

Authorized investments: The District is authorized by statute to invest public funds not currently needed for operating expenses in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured Iowa depository institutions approved by the Board; prime eligible bankers' acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts. However, the District's investment policy additionally limits investments in commercial paper to obligations at the time of purchase rated within the two highest ratings issued by nationally recognized statistical rating organizations with a maturity less than 270 days, with no more than 5 percent at the time of purchase placed in the second highest classification. The District's investment policy additionally limits investments in prime bankers' acceptances that mature within 270 days and that are eligible for purchase by a federal reserve bank. Investment income interest is spent according to the fund parameters as outlined by the District.

The above description of authorized investments does not apply to the Des Moines Teachers' Retirement System (DMTRS) Pension Trust Fund, whose investments are governed by the underlying Plan document, or investments donated to the District. As of June 30, 2014, all District investments in corporate bonds and stocks were held by the DMTRS or represent stock donated to special revenue and fiduciary funds. All the District investments, other than donated investments and DMTRS investments, are held in securities backed by the U.S. Government or its agencies.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy requires operating funds to be invested in investments that mature within 397 days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within 15 months of receipt.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Des Moines Independent Community School District (without DMTRS)

| | Fair Value | Investment Maturities (in Years) | | | |
|------------------------------|-----------------------|----------------------------------|-----------------|-------------|--------------|
| | | Less than 1 | 1 - 5 | 6 - 10 | More than 10 |
| Corporate equities - donated | \$ 1,749,581 | N/A | N/A | N/A | N/A |
| U.S. Government securities | 2,254 | \$ - | \$ 2,254 | \$ - | \$ - |
| Fixed income securities | 237,005,881 | 237,005,881 | - | - | - |
| | <u>\$ 238,757,716</u> | <u>\$ 237,005,881</u> | <u>\$ 2,254</u> | <u>\$ -</u> | <u>\$ -</u> |

Des Moines Teachers' Retirement System (DMTRS)

| | Fair Value | Investment Maturities (in Years) | | | |
|----------------------------|-----------------------|----------------------------------|----------------------|----------------------|-----------------------|
| | | Less than 1 | 1 - 5 | 6 - 10 | More than 10 |
| Money Market Mutual Funds | \$ 8,595,686 | N/A | N/A | N/A | N/A |
| U.S. Government securities | 5,022,914 | \$ - | \$ 1,391,358 | \$ - | \$ 3,631,556 |
| Corporate equities | 45,491,017 | N/A | N/A | N/A | N/A |
| Mortgage-backed securities | 21,943,667 | - | 31,172 | 1,576,195 | 20,336,300 |
| Corporate obligations | 83,617,844 | - | 13,229,050 | 8,851,633 | 61,537,161 |
| Preferred stock | 3,479,582 | N/A | N/A | N/A | N/A |
| Municipal bonds | 73,576,577 | - | 2,696,087 | 11,605,176 | 59,275,314 |
| Other fixed income | 5,586,348 | - | 1,290,153 | - | 4,296,195 |
| | <u>\$ 247,313,635</u> | <u>\$ -</u> | <u>\$ 18,637,820</u> | <u>\$ 22,033,004</u> | <u>\$ 149,076,526</u> |

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy does not formally address credit risk.

As of June 30, 2014, the District's investments in debt securities were rated as follows:

| Investment Type | Standard & Poor's | Moody's Investor's Services |
|---------------------------------------|-------------------|-----------------------------------|
| Investments (excluding DMTRS): | | |
| Fixed Income Securities | AA+ | Aaa |
| U.S. Government Securities | AA+ | Aaa |
| DMTRS Investments: | | |
| U.S. Government Securities | AA+ | Aaa |
| Mortgage-Backed Securities | Not Rated | Not Rated |
| Corporate Obligations | AAA | Aaa |
| Corporate Obligations | AA | Aa |
| Corporate Obligations | AA | A |
| Corporate Obligations | AA | Not Rated |
| Corporate Obligations | A | Aa |
| Corporate Obligations | A | A |
| Corporate Obligations | A | Baa |
| Corporate Obligations | BBB | A |
| Municipal Bonds | AAA | Aaa |
| Municipal Bonds | AAA | Aa |
| Municipal Bonds | AA | Aaa |
| Municipal Bonds | AA | Aa |
| Municipal Bonds | AA | A |
| Municipal Bonds | AA | Not Rated |
| Municipal Bonds | A | Aa |
| Municipal Bonds | A | Not Rated |
| Municipal Bonds | Not Rated | Aaa |
| Municipal Bonds | Not Rated | Aa |
| Municipal Bonds | Not Rated | A |
| Other Fixed Income Securities | AA | Aa |
| Other Fixed Income Securities | A | Aa |
| Other Fixed Income Securities | A | A |

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Concluded)

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet all anticipated cash requirements. The District's policy further restricts investments in prime bankers' acceptances and commercial paper to no more than 10 percent of the investment portfolio for each type of investment, excluding DMTRS investments and no more than 5 percent of the investment portfolio can be invested in the securities of a single issuer.

More than 5 percent of the District's investments are with Federal Home Loan Banks and Federal Farm Credit Banks. These investments are approximately 29 percent and 14 percent, respectively, of the District's total investments. The investments in U.S. Government Securities, Corporate Equities and Corporate obligations, are not subject to concentration of credit risk due to either being guaranteed by the U.S. government, considered a pooled investment, or none of the securities underlying the total investment type is more than 5 percent in any one issuer.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12c of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized.

As of June 30, 2014, the District's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

As of June 30, 2014, none of the District's investments were insured, but they were all registered in the District's name and held by the counterparty or the counterparty's trust department.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 4. Interfund Receivables/Payables and Transfers

Advances to and from other funds as of June 30, 2014 are as follows:

| | Advances To Other Funds | Advances From Other Funds |
|---------------------------|----------------------------|------------------------------|
| Nonmajor enterprise funds | \$ 171,602 | \$ 255,436 |
| Internal service funds | 157,198 | 73,364 |
| | <u>\$ 328,800</u> | <u>\$ 328,800</u> |

Interfund balances result from the time lag between the dates that 1) interfund goods or services are provided or reimbursable expenditures occur, 2) transactions are recorded and 3) payments between funds are made.

\$255,436 of advances from other funds in the nonmajor enterprise funds is attributable to the Child Care fund. This advance will be repaid once the fund becomes solvent.

The \$73,364 in the Internal Service funds is attributable to the Collage fund. This advance will be repaid once the fund becomes solvent.

None of the balances are expected to be collected in the subsequent year.

The following is a schedule of transfers as included in the basic financial statements of the District:

| | Transfers In | Transfers Out |
|-----------------------------|----------------------|----------------------|
| Major funds: | | |
| General fund | \$ - | \$ 677,879 |
| Capital projects fund | - | 12,631,366 |
| Nonmajor governmental funds | 12,631,366 | - |
| Nonmajor enterprise funds | 677,879 | - |
| | <u>\$ 13,309,245</u> | <u>\$ 13,309,245</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in a certain fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 5. Capital Assets

A summary of capital asset activity for the year ended June 30, 2014 is as follows:

| Governmental Activities | Beginning Balance | Additions and Transfers In | Deletions and Transfers Out | Ending Balance |
|---|-----------------------|-------------------------------|--------------------------------|-----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 4,113,994 | \$ - | \$ - | \$ 4,113,994 |
| Construction-in-progress | 56,161,761 | 37,482,325 | 44,139,986 | 49,504,100 |
| Total capital assets, not being depreciated | 60,275,755 | 37,482,325 | 44,139,986 | 53,618,094 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 10,008,649 | - | 149,139 | 9,859,510 |
| Buildings and improvements | 471,245,524 | 44,213,424 | 433,066 | 515,025,882 |
| Vehicles, furniture and equipment | 22,530,595 | 3,382,459 | 385,238 | 25,527,816 |
| Total capital assets, being depreciated | 503,784,768 | 47,595,883 | 967,443 | 550,413,208 |
| Less accumulated depreciation for: | | | | |
| Land improvements | (7,157,570) | (219,597) | (144,553) | (7,232,614) |
| Buildings and improvements | (111,842,045) | (9,495,247) | (247,726) | (121,089,566) |
| Vehicles, furniture and equipment | (13,257,818) | (1,685,298) | (309,869) | (14,633,247) |
| Total accumulated depreciation | (132,257,433) | (11,400,142) | (702,148) | (142,955,427) |
| Total capital assets, being depreciated, net | 371,527,335 | 36,195,741 | 265,295 | 407,457,781 |
| Governmental activities capital assets, net | \$ 431,803,090 | \$ 73,678,066 | \$ 44,405,281 | \$ 461,075,875 |
| Business-Type Activities | | | | |
| Capital assets, not being depreciated, | | | | |
| construction-in-progress | \$ - | \$ 60,724 | \$ - | \$ 60,724 |
| Capital assets, being depreciated: | | | | |
| Vehicles, furniture and equipment | 5,227,008 | 357,467 | 74,474 | 5,510,001 |
| Less accumulated depreciation | (3,224,292) | (381,204) | (70,496) | (3,535,000) |
| Total capital assets, being depreciated, net | 2,002,716 | (23,737) | 3,978 | 1,975,001 |
| Business-type activities capital assets, net | \$ 2,002,716 | \$ 36,987 | \$ 3,978 | \$ 2,035,725 |

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 5. Capital Assets (Concluded)

Depreciation expense was charged to the District's functions as follows:

| | |
|---|-----------------------------|
| Governmental activities: | |
| Instruction | \$ 9,914,428 |
| Noninstructional | 140,174 |
| Business and central administration | 358,021 |
| Plant operation and maintenance | 241,821 |
| Student transportation | 735,003 |
| Capital assets held by governments internal service funds are charged to the various functions based on their usage of the assets | 10,695 |
| Total | <u><u>\$ 11,400,142</u></u> |
| Business-type activities, school nutrition | <u><u>\$ 381,204</u></u> |

Note 6. Long-Term Liabilities and Bonds Payable

The following is a summary of changes in bonded and other long-term debt for the year ended June 30, 2014:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-------------------------------------|------------------------------|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| Governmental activities: | | | | | |
| Sales tax revenue bonds | \$ 131,860,000 | \$ 70,720,000 | \$ 6,595,000 | \$ 195,985,000 | \$ 9,845,000 |
| Bond premiums | 7,827,835 | 5,135,507 | 854,187 | 12,109,155 | - |
| Retrospective insurance rating plan | 343,220 | 134,820 | 80,214 | 397,826 | - |
| Special termination benefits | 12,533,367 | 5,673,280 | 4,528,487 | 13,678,160 | 4,820,696 |
| Compensated absences | 3,797,523 | 3,482,207 | 2,748,169 | 4,531,561 | 3,055,399 |
| Long-term liabilities | <u><u>\$ 156,361,945</u></u> | <u><u>\$ 85,145,814</u></u> | <u><u>\$ 14,806,057</u></u> | <u><u>\$ 226,701,702</u></u> | <u><u>\$ 17,721,095</u></u> |
| Business-type activities, | | | | | |
| compensated absences | <u><u>\$ 223,487</u></u> | <u><u>\$ 219,177</u></u> | <u><u>\$ 192,058</u></u> | <u><u>\$ 250,606</u></u> | <u><u>\$ 179,570</u></u> |

The District has pledged future statewide penny school infrastructure, services and use tax revenues to repay the \$70,000,000 of bonds issued March 2010 with interest rates ranging from 2 percent to 5 percent, \$71,900,000 of bonds issued May 2012 with an interest rate of 4 percent, \$8,780,000 of bonds issued December 2013 with interest rates ranging from 3 percent to 5 percent and \$61,940,000 of bonds issued May 2014 with interest rates ranging from 3 percent to 5 percent. The bonds were issued for the purpose of financing costs of school infrastructure improvement projects. The bonds are payable solely from the proceeds of the statewide penny school infrastructure, services and use tax revenue received by the District and are payable through 2029. 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 were expected to require less than 50 percent of the statewide penny school infrastructure, services and use tax revenues. For the current year, principal and interest paid and total statewide penny school infrastructure, services and use tax revenue were \$12,631,366 and \$27,874,657, respectively.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities and Bonds Payable (Concluded)

Annual debt service requirements to maturity as of June 30, 2014 for the outstanding sales tax revenue bonds are summarized as follows:

| Year Ending June 30: | Governmental Activities | | |
|----------------------|-------------------------|----------------------|-----------------------|
| | Principal | Interest | Total |
| 2015 | \$ 9,845,000 | \$ 8,781,480 | \$ 18,626,480 |
| 2016 | 10,355,000 | 8,143,820 | 18,498,820 |
| 2017 | 10,705,000 | 7,670,170 | 18,375,170 |
| 2018 | 11,075,000 | 7,175,970 | 18,250,970 |
| 2019 | 11,480,000 | 6,664,470 | 18,144,470 |
| 2020 - 2024 | 63,935,000 | 24,987,350 | 88,922,350 |
| 2025 - 2029 | 78,590,000 | 10,267,735 | 88,857,735 |
| Total | \$ 195,985,000 | \$ 73,690,995 | \$ 269,675,995 |

As of June 30, 2014, the District did not exceed its legal debt margin, computed as follows:

| | |
|---|---------------------------------|
| Total assessed valuation | <u><u>\$ 10,720,531,380</u></u> |
| Debt limit of 5% of total assessed valuation | \$ 536,026,569 |
| Amount of debt applicable to debt limit, total general obligation bonded debt | <u>195,985,000</u> |
| Excess of debt limit over bonded debt issued, legal debt margin | <u><u>\$ 340,041,569</u></u> |

Compensated absences are generally liquidated by the General Fund and the retrospective insurance rating plan liability is liquidated by the Management Fund, a nonmajor governmental fund.

Special Termination Benefits: The District offered a special termination benefit to certified teachers and administrators. To be eligible to participate in this Plan, an employee must (1) have attained age 55; (2) have at least 10 consecutive contract years of employment with the District; (3) have worked a minimum of 100 days during the contract year in which he or she elects to participate in this Plan; (4) have not received an official notice of lay off or termination; (5) not be subject to termination pursuant to Iowa Code Section 279.15 or Section 279.27, whether such termination occurs before or after the acceptance of his or her application and (6) otherwise meet the requirements of this Plan. The special termination benefit allows an eligible employee to (1) if at the time of retirement has health insurance, to use the value of their accumulated sick leave benefit and annual special leave to pay for health insurance until they reach the age of 65 and opt for Medicare benefits, with any remaining funds at that time paid out in a single lump sum payment, or (2) if at the time of retirement has no health insurance, or already reached the age of 65, to pay out the value of their accumulated sick leave benefit and annual special leave over five equal annual payments into a tax sheltered annuity of their choice. As of June 30, 2014, the District has \$2,608,397 accrued in the Management Fund, \$453,892 accrued in the General Fund relating to employees over age 65 as they are considered due and expected to be liquidated with expendable available financial resources, plus an additional amount not considered due of \$10,615,871 recorded only in the government-wide financial statements. The current year amount paid by the District was \$4,528,487 which consisted of 99 participants in the plan. The special termination benefits are generally and mainly liquidated by the Management Fund.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 7. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

As of June 30, 2014, the District was involved in construction projects with an estimated cost to complete the construction projects of \$17,278,219.

Note 8. Risk Management

The District has chosen to establish a risk financing fund for risks associated with the self-insurance plan for medical, dental and vision benefits. The risk financing fund is accounted for as an internal service fund where assets are set aside for claim settlements. The total charge allocated to each of the funds (based upon the percentage of each fund's current year payroll of the District) is calculated using trends in actual claims experience. Losses on medical claims are limited through the purchase of stop-loss insurance to \$75,000 per accident or disease, and 120 percent of actuarially projected claims for the District in total.

The claims liability of \$3,284,717 in the Self Insurance fund is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information indicates that it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR) which represent estimates of the eventual loss on claims arising prior to year-end. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

| | Year Ended June 30, | |
|--|---------------------|---------------------|
| | 2014 | 2013 |
| Unpaid claims, beginning of year | \$ 4,370,114 | \$ 4,525,511 |
| Current year claims and changes in estimates | 50,070,424 | 48,352,032 |
| Claim payments | (51,155,821) | (48,507,429) |
| Unpaid claims, end of year | <u>\$ 3,284,717</u> | <u>\$ 4,370,114</u> |

As of June 30, 2014, the unpaid claims payable of \$3,284,717 is net of \$1,398,675 of reimbursement receivable that the District expects to receive as it has exceeded its individual stop-loss amount. A total of \$1,398,675 reinsurance revenue to be received is netted against claims expense of \$50,070,424.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 8. Risk Management (Concluded)

The District self insures its workers' compensation exposures. As of June 30, 2014, the amount of liabilities recorded for estimated claims payable for workers' compensation was \$2,134,824 of which \$440,305 was recorded in the Management Fund in accounts payable, a nonmajor governmental fund, as that portion of the liability has matured, and an additional \$1,694,519 was recorded in the government-wide statements. Losses on workers' compensation claims are limited through the purchase of stop-loss insurance to \$500,000 per occurrence. Liabilities are reported in the financial statements in accounts payable. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

| | Year Ended June 30, | |
|--|---------------------|-------------------|
| | 2014 | 2013 |
| Unpaid claims, beginning of year | \$ 685,260 | \$ 1,127,423 |
| Current year claims and changes in estimates | 3,156,830 | 2,345,061 |
| Claim payments | (1,707,266) | (2,787,224) |
| Unpaid claims, end of year | <u>\$ 2,134,824</u> | <u>\$ 685,260</u> |

The District's general liability and automobile liability policies are written under a retrospective rating plan where final premium costs are within a specified minimum and maximum premium. For the policy year ended June 30, 2014, various liability claims remain unsettled; therefore, the District has accrued a liability for the maximum potential additional premium that could be payable under the retrospective rating plan of \$397,826. The liability is recorded in the Government-wide financial statements.

The District continues to carry commercial insurance for all other risks of loss. The District has a \$100,000 deductible on property insurance and a \$500 deductible on auto insurance for automobiles specifically used for driver's education. Settled claims from these risks have not exceeded the planned coverage during any of the past three years.

Note 9. Retirement Systems

Iowa Public Employees' Retirement System:

The District contributes to the Iowa Public Employees' Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the state of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. All District employees, other than teachers and administrators, participate in IPERS. Teachers and administrators may choose to participate in the Des Moines Teachers' Retirement System in lieu of IPERS.

IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117. Details of the plan are provided on a system-wide basis.

Plan members are required to contribute 5.95 percent of their annual salary and the District is required to contribute 8.93 percent of annual covered salaries. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$17,947,600, \$16,364,515 and \$14,947,018, respectively, equal to the required contributions for each year.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Concluded)

Des Moines Teachers' Retirement System:

The Des Moines Teachers' Retirement System is a single employer defined contribution plan that provides pension benefits for all eligible District employees. The Des Moines Teachers' Retirement System was established as of July 1, 1953, in accordance with Sections 294.8 through 294.10 of the Code of Iowa. The plan is administered by the District and the District has the authority to establish or amend the plan provisions or contribution requirements within the sections of the Code. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who possess professional qualifications as a requirement for their position of employment, such as a teacher's certificate to be a teacher, are permitted to participate from the date of their employment. There are 1,252 active and retired participants as of June 30, 2014. The plan requires the employees to contribute a varying percentage of their base pay, from 5.51 percent to 8.34 percent, with the percentage actuarially determined based on the age of the employee upon entrance into the plan. The District's contribution is to be 112 percent (and 150 percent of each percentage contribution increase after July 1, 2007) of the amount contributed by the employee. District contributions for each employee vest after four years of service at 100 percent. At age 55, District contributions are vested at 112/150 percent. The total payroll for employees covered by the System for the year ended June 30, 2014 was \$26,211,873 and the total District payroll was \$228,885,994. The employees' contributions during the year ended June 30, 2014 were \$1,587,349 (6.1 percent of the total covered payroll). The District's General Fund made contributions of \$1,899,244 (7.2 percent of the total covered payroll). Plan assets were \$249,797,482 as of June 30, 2014. Fair values of investments that do not have an established market are reported at estimated fair values. Estimated fair market values are determined based on third-party pricing quotes or the close of market amounts on the last business day of the fiscal year. The activity of this retirement plan as of and for the year ended June 30, 2014 is included as a fiduciary fund, Pension Trust Fund, within these financial statements. The plan does not issue a stand-alone financial report.

Note 10. Other Postemployment Benefits

Plan description: The District sponsors a single-employer health care plan that provides three self-funded medical plans including prescription drug benefits to all active and retired employees and their eligible dependents. Retiree coverage begins for employees who have attained age 55 prior to the beginning of the subsequent contract year and have at least 10 consecutive contract years of employment and continues until the retiree is Medicare eligible at age 65. The plan is administered by the District and the District has the authority to establish or amend the plan provisions or contribution requirements within the sections of the Code. The plan does not issue a stand-alone financial report.

Funding policy: The current funding policy of the District is to pay health claims as they occur through internal allocated funds. For employees who retired on or before June 30, 2002, the District provides a 100 percent subsidy to the full cost of coverage for both retiree and dependent coverage. For employees who retire on or after June 30, 2002, Des Moines School District provides no subsidy. The health insurance plan contributions on behalf of employees are established and amended through negotiation by management and the union and governed by the District's union contracts.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2014, the District contributed \$1,153,000. Retiree and active members receiving benefits contributed through their required monthly contributions of:

| Rate Tier | Fiscal Year | Fiscal Year |
|----------------|-------------------------|---------------------|
| | 2014 Alliance Select | 2014 Blue Access |
| Employee | \$ 492.28 | \$ 504.15 |
| Employee + One | 938.78 | 961.41 |
| Family | 1,496.53 | 1,532.62 |

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 10. Other Postemployment Benefits (Continued)

Annual OPEB cost and net OPEB obligation: The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the District's annual OPEB obligation:

| | |
|--|-----------------------------|
| Annual required contribution | \$ 5,104,000 |
| Interest on net OPEB obligation | 628,000 |
| Adjustment to annual required contribution | (441,000) |
| Annual OPEB cost | <u>5,291,000</u> |
| Contributions and payments made | <u>1,153,000</u> |
| Increase in net OPEB obligation | 4,138,000 |
| | |
| Net OPEB obligation - July 1, 2013 | <u>13,965,666</u> |
| Net OPEB obligation - June 30, 2014 | <u><u>\$ 18,103,666</u></u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2014 and the two preceding years are as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------|---------------------|--|------------------------|
| June 30, 2012 | \$ 6,241,666 | 59.68% | \$ 9,525,666 |
| June 30, 2013 | 5,092,000 | 12.80 | 13,965,666 |
| June 30, 2014 | 5,291,000 | 21.79 | 18,103,666 |

Funded status and funding progress: Postemployment Benefit Obligations under GASB Statement No. 45

| | <u>Total</u> | <u>Members</u> |
|--|-------------------|----------------|
| Actuarial Accrued Liability: | | |
| Current retirees, beneficiaries and dependents | \$ 1,822,000 | 82 |
| Current active members | 32,389,000 | 4,553 |
| Total Actuarial Accrued Liability (AAL) | <u>34,211,000</u> | <u>4,635</u> |
| Actuarial value of OPEB Plan Assets | - | |
| Unfunded Actuarial Accrued Liability (UAAL) | 34,211,000 | |

calculated as of July 1, 2012, the most recent valuation date is as follows:

The covered payroll (annual payroll of active employees covered by the plan) was \$228,885,994 and the ratio of the UAAL to the covered payroll was 14.9 percent. The actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) is zero.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 10. Other Postemployment Benefits (Concluded)

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

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

In the July 1, 2012 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.5 percent annual discount rate, an inflation rate of 3.5 percent, an annual health care cost trend rate of 10.0 percent for select and 5 percent for ultimate initially, but reduced 0.5 percent each year until reaching the ultimate trend for pre 65 medical & RX/Stop loss fees and an annual health care cost trend rate of 5.0 percent for select and ultimate for administrative fees. All rates include a 2 percent salary increase assumption. The District's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2012, was 30 years.

Note 11. Pollution Remediation Liability

The District has initiated remodeling several properties and upon commencing work determined asbestos was present and needed to be removed as part of the overall improvement projects. The amount of the asbestos removal liability as of June 30, 2014 is derived from the construction contracts. The District has recorded a liability of \$55,800 in the government-wide financial statements based on the estimated remaining future costs related to the remediation projects.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 12. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the District's fund balance as of June 30, 2014 are as follows:

| Fund Balances: | General | Capital Projects | Nonmajor Governmental | Total |
|---------------------------------|----------------------|-----------------------|--------------------------|-----------------------|
| Nonspendable: | | | | |
| Inventories | \$ 493,325 | \$ - | \$ - | \$ 493,325 |
| Prepays | 640,644 | - | 6,587 | 647,231 |
| Permanent Trust | - | - | 9,878 | 9,878 |
| Total Nonspendable | 1,133,969 | - | 16,465 | 1,150,434 |
| Restricted: | | | | |
| Student activities | - | - | 1,697,730 | 1,697,730 |
| Management levy purposes | - | - | 4,674,361 | 4,674,361 |
| Physical Plant and Equipment | - | - | 8,542,630 | 8,542,630 |
| Public Education and Recreation | - | - | 210,046 | 210,046 |
| DMPS Expendable Trust | - | - | 4,326,557 | 4,326,557 |
| Capital Projects | - | 132,682,170 | - | 132,682,170 |
| Permanent Trust | - | - | 1,686 | 1,686 |
| Categorical Funding | 6,598,786 | - | - | 6,598,786 |
| Shared Programs | 1,012,844 | - | - | 1,012,844 |
| Medicaid | 58,611 | - | - | 58,611 |
| Grants | 801,406 | - | - | 801,406 |
| Total Restricted | 8,471,647 | 132,682,170 | 19,453,010 | 160,606,827 |
| Committed: | | | | |
| Common Core Projects | 5,000,000 | - | - | 5,000,000 |
| Technology | 6,500,000 | - | - | 6,500,000 |
| Total Committed | 11,500,000 | - | - | 11,500,000 |
| Assigned, technology | 9,646,302 | - | - | 9,646,302 |
| Unassigned | 45,675,556 | - | - | 45,675,556 |
| Total fund balances | \$ 76,427,474 | \$ 132,682,170 | \$ 19,469,475 | \$ 228,579,119 |

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 13. Pending Governmental Accounting Standards Board (GASB) Pronouncements

The GASB has issued several statements not yet implemented by the District. The District's management has not yet determined the effect these Statements will have on the District's financial statements. However, the District plans to implement all standards by the required dates. The Statements which might impact the District are as follows:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the District beginning with its year ending June 30, 2015. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Under Statement No. 68, each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their "proportionate share" of the plan's net pension liability. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, issued November 2013, will be effective for the District beginning with its year ending June 30, 2015. This Statement eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. To correct this potential understatement, Statement 71 requires a state or local government, when transitioning to the new pension standards, to recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. This amount will be recognized regardless of whether it is practical to determine the beginning amounts of all other deferred outflows of resources and deferred inflows of resources related to pensions.

Although the dollar amount of the net pension liability is not known, the District's management feels that the Statements will have a material impact to the District's financial statements upon implementation.

Des Moines Independent Community School District

Required Supplementary Information Retiree Health Benefit Plan

Schedule of Funding Progress

| Fiscal Year Ended | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|-------------------|--------------------------|-------------------------------|---------------------------------------|-----------------------|--------------------|---------------------|---|
| 2012 | July 1, 2010 | \$ - | \$ 45,382,000 | \$ 45,382,000 | \$ - | \$ 216,222,032 | 21.00% |
| 2013 | July 1, 2012 | - | 34,211,000 | 34,211,000 | - | 218,682,246 | 15.60 |
| 2014 | July 1, 2012 | - | 34,211,000 | 34,211,000 | - | 228,885,994 | 14.95 |

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2012. Additional information follows:

- The actuarial method used to determine the ARC is the projected unit credit method.
- There are no plan assets.
- The actuarial assumptions included: (a) 4.5 percent annual discount rate, b) 3.5 percent inflation rate, c) a health care cost trend rate for medical & RX/Stop loss fees of 10.0 percent on a select basis and 5.0 percent on an ultimate basis. Select trends are reduced 0.5 percent each year until reaching the ultimate trend. d) a health care cost trend rate for administrative fees of 5.0 percent on a select and ultimate basis.
- The amortization method is level of percentage of projected payroll on an open basis.

Des Moines Independent Community School District

**Required Supplementary Information - Budgetary Comparison Schedule -
All Governmental Funds, Enterprise Funds and Private Purpose Trust Funds
Year Ended June 30, 2014**

| | Actual | | | |
|---|----------------------|---------------------|--------------------|----------------------|
| | Governmental | Enterprise | Private Purpose | Total |
| | Fund Types | Funds | Trust Funds | |
| Revenues: | | | | |
| Local sources | \$ 147,356,203 | \$ 6,831,764 | \$ 7,466 | \$ 154,195,433 |
| Intermediate sources | 708,970 | - | - | 708,970 |
| State sources | 256,973,716 | 147,065 | - | 257,120,781 |
| Federal sources | 30,009,399 | 14,400,133 | - | 44,409,532 |
| Total revenues | 435,048,288 | 21,378,962 | 7,466 | 456,434,716 |
| Expenditures/Expenses: | | | | |
| Instruction | 258,355,855 | 2,118 | - | 258,357,973 |
| Support services | 124,747,578 | 106,811 | - | 124,854,389 |
| Noninstructional | 1,842,754 | 20,631,635 | 18,472 | 22,492,861 |
| Other | 68,371,302 | - | - | 68,371,302 |
| Total expenditures/expenses | 453,317,489 | 20,740,564 | 18,472 | 474,076,525 |
| Excess (deficiency) of revenues over expenditures/expenses | (18,269,201) | 638,398 | (11,006) | (17,641,809) |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | 214,140 | - | - | 214,140 |
| Issuance of revenue bonds | 70,720,000 | - | - | 70,720,000 |
| Premiums on revenue bonds | 5,135,507 | - | - | 5,135,507 |
| Capital contributions | - | 9,365 | - | 9,365 |
| Transfers in | 12,631,366 | 677,879 | - | 13,309,245 |
| Transfers (out) | (13,309,245) | - | - | (13,309,245) |
| Net change in fund balances/net position | \$ 57,122,567 | \$ 1,325,642 | \$ (11,006) | \$ 58,437,203 |

Note: Capital project expenditures have been classified according to function for budgetary comparison purposes.

See Note to Required Supplementary Information.

Budget

| Original | Final | Final Budget to Actual Variance |
|----------------------|----------------------|------------------------------------|
| \$ 174,403,069 | \$ 174,403,069 | \$ (20,207,636) |
| 500,000 | 500,000 | 208,970 |
| 220,666,948 | 220,666,948 | 36,453,833 |
| 43,491,144 | 43,491,144 | 918,388 |
| <u>439,061,161</u> | <u>439,061,161</u> | <u>17,373,555</u> |
| 261,264,900 | 263,964,900 | (5,606,927) |
| 115,510,000 | 119,730,000 | 5,124,389 |
| 21,799,698 | 21,799,698 | 693,163 |
| 73,094,710 | 74,144,252 | (5,772,950) |
| <u>471,669,308</u> | <u>479,638,850</u> | <u>(5,562,325)</u> |
| (32,608,147) | (40,577,689) | 22,935,880 |
| 40,000 | 40,000 | 174,140 |
| 70,000,000 | 70,000,000 | 720,000 |
| - | - | 5,135,507 |
| - | - | 9,365 |
| 11,581,824 | 11,581,824 | 1,727,421 |
| <u>(11,581,824)</u> | <u>(11,581,824)</u> | <u>1,727,421</u> |
| <u>\$ 37,431,853</u> | <u>\$ 29,462,311</u> | <u>\$ 32,429,734</u> |

This Page Intentionally Left Blank

Des Moines Independent Community School District

Note to Required Supplementary Information

Note 1. Basis of Presentation

The District operates within the budget requirements for school districts as specified by state law and as prescribed by the Iowa Department of Management. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

For the fiscal year beginning July 1, a proposed budget is adopted by the Board and filed with the County Auditor no later than April 15. The budget is certified by the County Auditor to the Department of Management.

Once adopted, the budget can be amended by the Board. The amendment must be published and a public hearing conducted prior to the amendment. Any amendments must be certified to the County Auditor no later than May 31. The proposed expenditure budget is advertised in the local newspaper, together with a notice of public hearing.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for budgeted governmental, enterprise, and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, noninstructional programs and other expenditures. During the year ended June 30, 2014, the District overexpended in the support services and noninstructional functional areas. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations as adopted and amended lapse at the end of the fiscal year.

During the year, one budget amendment increased budgeted expenditures by \$7,969,542.

The District is required by the Code of Iowa to budget for its share of media, educational services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$13,086,762 for the year ended June 30, 2014.

Des Moines Independent Community School District

**Combining Balance Sheet
All Nonmajor Governmental Funds
June 30, 2014**

| | Special Revenue | | |
|---|---------------------|----------------------|---------------------|
| | Student Activity | Management | DMPS |
| Assets | | | |
| Cash and investments | \$ 1,969,880 | \$ 7,654,516 | \$ 2,600,103 |
| Restricted investments | - | - | 1,749,581 |
| Property taxes receivable - current year | - | 117,080 | - |
| Property taxes receivable - succeeding year | - | 12,387,144 | - |
| Other receivables | 3,593 | - | - |
| Due from other governments | - | - | - |
| Prepaid items | 6,587 | - | - |
| Total assets | \$ 1,980,060 | \$ 20,158,740 | \$ 4,349,684 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | |
| Liabilities: | | | |
| Accounts payable | \$ 245,672 | \$ 440,305 | \$ 23,127 |
| Accrued payroll | 14,233 | - | - |
| Special termination benefits | - | 2,608,397 | - |
| Other current liabilities | - | - | - |
| Due to other governments | 3,126 | 48,533 | - |
| Compensated absences | - | - | - |
| Total liabilities | 263,031 | 3,097,235 | 23,127 |
| Deferred inflows of resources: | | | |
| Succeeding year - property taxes | - | 12,387,144 | - |
| Unavailable revenue - intergovernmental | 12,712 | - | - |
| Total deferred inflows of resources | 12,712 | 12,387,144 | - |
| Fund balances: | | | |
| Nonspendable | 6,587 | - | - |
| Restricted | 1,697,730 | 4,674,361 | 4,326,557 |
| Total fund balances | 1,704,317 | 4,674,361 | 4,326,557 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 1,980,060 | \$ 20,158,740 | \$ 4,349,684 |

| Capital Projects | | | | |
|---|---|------------------|--|--|
| Physical Plant and Equipment Levy | Public Education and Recreation Levy | Permanent | Total Nonmajor Governmental Funds | |
| \$ 9,185,919 | \$ 224,023 | \$ 11,564 | \$ 21,646,005 | |
| - | - | - | 1,749,581 | |
| 77,961 | 10,275 | - | 205,316 | |
| 6,903,817 | 875,825 | - | 20,166,786 | |
| - | - | - | 3,593 | |
| 16,572 | - | - | 16,572 | |
| - | - | - | 6,587 | |
| <u>\$ 16,184,269</u> | <u>\$ 1,110,123</u> | <u>\$ 11,564</u> | <u>\$ 43,794,440</u> | |
| | | | | |
| \$ 726,076 | \$ 9,046 | \$ - | \$ 1,444,226 | |
| - | 3,214 | - | 17,447 | |
| - | - | - | 2,608,397 | |
| 11,174 | - | - | 11,174 | |
| 572 | 38 | - | 52,269 | |
| - | 11,954 | - | 11,954 | |
| <u>737,822</u> | <u>24,252</u> | <u>-</u> | <u>4,145,467</u> | |
| | | | | |
| 6,903,817 | 875,825 | - | 20,166,786 | |
| - | - | - | 12,712 | |
| <u>6,903,817</u> | <u>875,825</u> | <u>-</u> | <u>20,179,498</u> | |
| | | | | |
| - | - | 9,878 | 16,465 | |
| 8,542,630 | 210,046 | 1,686 | 19,453,010 | |
| <u>8,542,630</u> | <u>210,046</u> | <u>11,564</u> | <u>19,469,475</u> | |
| | | | | |
| <u>\$ 16,184,269</u> | <u>\$ 1,110,123</u> | <u>\$ 11,564</u> | <u>\$ 43,794,440</u> | |

Des Moines Independent Community School District

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Nonmajor Governmental Funds
Year Ended June 30, 2014**

| | Special Revenue | | |
|--|---------------------|---------------------|---------------------|
| | Student Activity | Management | DMPS |
| Revenues: | | | |
| Property taxes | \$ - | \$ 10,136,078 | \$ - |
| Other local sources | - | - | 787,368 |
| Investment earnings | 1,396 | - | 246,778 |
| Federal sources | - | - | - |
| Student activities | 3,004,566 | - | 12,354 |
| Total revenues | 3,005,962 | 10,136,078 | 1,046,500 |
| Expenditures: | | | |
| Current: | | | |
| Instruction | 3,150,265 | 4,028,921 | 170,407 |
| Student services | - | 329,719 | - |
| Instructional support services | - | - | 44,479 |
| General administration | - | 608,548 | - |
| Building administration | - | 261,864 | - |
| Business and central administration | - | 282,415 | - |
| Plant operation and maintenance | - | 2,091,282 | - |
| Student transportation | - | 1,452,108 | - |
| Noninstructional | - | 482,405 | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal retirement | - | - | - |
| Interest | - | - | - |
| Total expenditures | 3,150,265 | 9,537,262 | 214,886 |
| Excess (deficiency) of revenues over expenditures | (144,303) | 598,816 | 831,614 |
| Other financing sources: | | | |
| Proceeds from sale of capital assets | - | - | - |
| Transfers in | - | - | - |
| Total other financing sources | - | - | - |
| Net change in fund balances | (144,303) | 598,816 | 831,614 |
| Fund balances, beginning of year | 1,848,620 | 4,075,545 | 3,494,943 |
| Fund balances, end of year | \$ 1,704,317 | \$ 4,674,361 | \$ 4,326,557 |

| Debt Service | Capital Projects | | Permanent | Total Nonmajor Governmental Funds |
|--------------|-----------------------------------|--------------------------------------|-----------|-----------------------------------|
| | Physical Plant and Equipment Levy | Public Education and Recreation Levy | | |
| \$ - | \$ 6,956,453 | \$ 880,069 | \$ - | \$ 17,972,600 |
| - | 12,860 | 395,851 | - | 1,196,079 |
| - | 6,297 | - | 7 | 254,478 |
| - | 16,572 | - | - | 16,572 |
| - | - | 460 | - | 3,017,380 |
| - | 6,992,182 | 1,276,380 | 7 | 22,457,109 |
| - | 100,000 | 168,430 | - | 7,618,023 |
| - | - | - | - | 329,719 |
| - | - | - | - | 44,479 |
| - | - | - | - | 608,548 |
| - | - | 146,694 | - | 408,558 |
| - | 308,727 | 53,702 | - | 644,844 |
| - | 1,691,095 | - | - | 3,782,377 |
| - | 793,933 | - | - | 2,246,041 |
| - | - | 740,936 | - | 1,223,341 |
| - | 4,899,189 | 251,957 | - | 5,151,146 |
| 6,595,000 | - | - | - | 6,595,000 |
| 6,036,366 | - | - | - | 6,036,366 |
| 12,631,366 | 7,792,944 | 1,361,719 | - | 34,688,442 |
| (12,631,366) | (800,762) | (85,339) | 7 | (12,231,333) |
| - | 200,399 | - | - | 200,399 |
| 12,631,366 | - | - | - | 12,631,366 |
| 12,631,366 | 200,399 | - | - | 12,831,765 |
| - | (600,363) | (85,339) | 7 | 600,432 |
| - | 9,142,993 | 295,385 | 11,557 | 18,869,043 |
| \$ - | \$ 8,542,630 | \$ 210,046 | \$ 11,564 | \$ 19,469,475 |

Des Moines Independent Community School District

Combining Statement of Net Position

All Nonmajor Enterprise Funds

June 30, 2014

| | School Nutrition | Child Care | Home Construction |
|---|---------------------|---------------------|----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 1,647,466 | \$ 50 | \$ - |
| Other receivables, net of allowances for uncollectibles of \$208,154 | 199,855 | 216,019 | - |
| Due from other governments | 124,201 | - | - |
| Inventories | 423,743 | - | - |
| Prepaid expenses | 37 | - | - |
| Total current assets | 2,395,302 | 216,069 | - |
| Noncurrent assets: | | | |
| Advances to other funds | - | - | 63,849 |
| Capital assets: | | | |
| Nondepreciable | - | - | 60,724 |
| Depreciable, net | 1,975,001 | - | - |
| Total noncurrent assets | 1,975,001 | - | 124,573 |
| Total assets | \$ 4,370,303 | \$ 216,069 | \$ 124,573 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 96,929 | \$ 47,141 | \$ 6,552 |
| Accrued payroll | 137,719 | 116,980 | - |
| Due to other governments | 400 | 13,442 | - |
| Unearned revenue | 225,635 | 15,750 | - |
| Compensated absences | 158,252 | 21,318 | - |
| Total current liabilities | 618,935 | 214,631 | 6,552 |
| Noncurrent liabilities: | | | |
| Advances from other funds | - | 255,436 | - |
| Compensated absences | 56,013 | 15,023 | - |
| Total noncurrent liabilities | 56,013 | 270,459 | - |
| Total liabilities | 674,948 | 485,090 | 6,552 |
| Net Position (Deficit) | | | |
| Investment in capital assets | 1,975,001 | - | 60,724 |
| Unrestricted (deficit) | 1,720,354 | (269,021) | 57,297 |
| Total net position (deficit) | \$ 3,695,355 | \$ (269,021) | \$ 118,021 |

| | Automotive | Wellness Center | Total |
|----|------------|--------------------|--------------|
| \$ | - | \$ - | \$ 1,647,516 |
| | - | - | 415,874 |
| | - | - | 124,201 |
| | - | - | 423,743 |
| | - | - | 37 |
| | - | - | 2,611,371 |
| | 74,501 | 33,252 | 171,602 |
| | - | - | 60,724 |
| | - | - | 1,975,001 |
| | 74,501 | 33,252 | 2,207,327 |
| \$ | 74,501 | \$ 33,252 | \$ 4,818,698 |
| \$ | 2,289 | \$ - | \$ 152,911 |
| | - | - | 254,699 |
| | - | - | 13,842 |
| | - | - | 241,385 |
| | - | - | 179,570 |
| | 2,289 | - | 842,407 |
| | - | - | 255,436 |
| | - | - | 71,036 |
| | - | - | 326,472 |
| | 2,289 | - | 1,168,879 |
| | - | - | 2,035,725 |
| | 72,212 | 33,252 | 1,614,094 |
| \$ | 72,212 | \$ 33,252 | \$ 3,649,819 |

Des Moines Independent Community School District

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
All Nonmajor Enterprise Funds
Year Ended June 30, 2014**

| | School Nutrition | Child Care | Preschool |
|---|---------------------|---------------------|----------------|
| Operating revenues: | | | |
| Student activities | \$ - | \$ - | \$ - |
| Charges for services: | | | |
| Sale of food | 2,753,299 | - | - |
| Child care | - | 3,799,779 | - |
| Miscellaneous | - | - | - |
| Total operating revenues | 2,753,299 | 3,799,779 | - |
| Operating expenses: | | | |
| Student services | 16,503,984 | - | - |
| Depreciation | 381,204 | - | - |
| Community services | - | 3,804,322 | - |
| Total operating expenses | 16,885,188 | 3,804,322 | - |
| Operating income (loss) | (14,131,889) | (4,543) | - |
| Nonoperating revenues (expenses): | | | |
| Other local sources | 225,441 | - | - |
| State sources | 147,065 | - | - |
| Federal sources | 14,400,133 | - | - |
| Loss on disposal of capital assets | (3,655) | - | - |
| Total nonoperating revenues | 14,768,984 | - | - |
| Income (loss) before capital contributions and transfers | 637,095 | (4,543) | - |
| Capital contributions | 9,365 | - | - |
| Transfers in | - | - | 677,879 |
| Change in net position (deficit) | 646,460 | (4,543) | 677,879 |
| Total net position (deficit), beginning of year | 3,048,895 | (264,478) | (677,879) |
| Total net position (deficit), end of year | \$ 3,695,355 | \$ (269,021) | \$ - |

| Home Construction | Automotive | Wellness Center | Total |
|----------------------|------------|--------------------|--------------|
| \$ - | \$ 41,405 | \$ - | \$ 41,405 |
| - | - | - | 2,753,299 |
| - | - | - | 3,799,779 |
| - | 11,754 | 86 | 11,840 |
| - | 53,159 | 86 | 6,606,323 |
| - | 45,094 | - | 16,549,078 |
| - | - | - | 381,204 |
| 2,305 | - | - | 3,806,627 |
| 2,305 | 45,094 | - | 20,736,909 |
| (2,305) | 8,065 | 86 | (14,130,586) |
| - | - | - | 225,441 |
| - | - | - | 147,065 |
| - | - | - | 14,400,133 |
| - | - | - | (3,655) |
| - | - | - | 14,768,984 |
| (2,305) | 8,065 | 86 | 638,398 |
| - | - | - | 9,365 |
| - | - | - | 677,879 |
| - | - | - | 687,244 |
| (2,305) | 8,065 | 86 | 1,325,642 |
| 120,326 | 64,147 | 33,166 | 2,324,177 |
| \$ 118,021 | \$ 72,212 | \$ 33,252 | \$ 3,649,819 |

Des Moines Independent Community School District

**Combining Statement of Cash Flows
All Nonmajor Enterprise Funds
Year Ended June 30, 2014**

| | School Nutrition | Child Care | Preschool |
|--|------------------------|--------------------|-------------|
| Cash flows from operating activities: | | | |
| Cash received from user charges | \$ 2,795,199 | \$ 3,691,577 | \$ - |
| Cash payments to employees for services | (7,778,303) | (3,267,058) | - |
| Cash payments to suppliers for goods and services | (7,752,443) | (505,910) | - |
| Net cash provided by (used in) operating activities | (12,735,547) | (81,391) | - |
| Cash flows from noncapital financing activities: | | | |
| Payments from other funds | - | 81,391 | - |
| Payments to other funds | - | - | (677,879) |
| Transfers in | - | - | 677,879 |
| Grants and donations received | 14,111,447 | - | - |
| Net cash provided by (used in) noncapital financing activities | 14,111,447 | 81,391 | - |
| Cash flows from capital and related financing activities: | | | |
| Acquisition of capital assets | (348,102) | - | - |
| Proceeds from disposal of capital assets | 323 | - | - |
| Net cash (used in) capital and related financing activities | (347,779) | - | - |
| Net increase (decrease) in cash and cash equivalents | 1,028,121 | - | - |
| Cash and cash equivalents, beginning of year | 619,345 | 50 | - |
| Cash and cash equivalents, end of year | \$ 1,647,466 | \$ 50 | \$ - |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Operating income (loss) | \$ (14,131,889) | \$ (4,543) | \$ - |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation | 381,204 | - | - |
| Commodities used | 967,002 | - | - |
| Changes in assets and liabilities: | | | |
| Receivables | (11,811) | (108,635) | - |
| Inventories | 9,065 | - | - |
| Prepaid items | (37) | - | - |
| Accounts payable and due to other governments | (48,110) | 10,999 | - |
| Unearned revenue | 53,711 | 433 | - |
| Accrued liabilities and compensated absences | 45,318 | 20,355 | - |
| Net cash provided by (used in) operating activities | \$ (12,735,547) | \$ (81,391) | \$ - |
| Noncash items: | | | |
| Noncapital financing activities, commodities received from U.S. Department of Agriculture | \$ 967,002 | \$ - | \$ - |
| Capital and related financing activities: | | | |
| Acquisition of capital assets through accounts payable | - | - | - |
| Capital contributions | 9,365 | - | - |
| Addition of capital assets through conversion of assets held for sale | - | - | - |

| | Home Construction | Automotive | Wellness Center | Total |
|----|----------------------|------------|--------------------|--------------|
| \$ | - | \$ 53,159 | \$ 86 | \$ 6,540,021 |
| | - | - | (1,119) | (11,046,480) |
| | (1,914) | (45,997) | - | (8,306,264) |
| | (1,914) | 7,162 | (1,033) | (12,812,723) |
| | 24,430 | - | - | 105,821 |
| | - | (7,162) | (14,825) | (699,866) |
| | - | - | - | 677,879 |
| | - | - | - | 14,111,447 |
| | 24,430 | (7,162) | (14,825) | 14,195,281 |
| | (22,516) | - | - | (370,618) |
| | - | - | - | 323 |
| | (22,516) | - | - | (370,295) |
| | - | - | (15,858) | 1,012,263 |
| | - | - | 15,858 | 635,253 |
| \$ | - | \$ - | \$ - | \$ 1,647,516 |

| | | | | |
|----|---------|----------|------------|-----------------|
| \$ | (2,305) | \$ 8,065 | \$ 86 | \$ (14,130,586) |
| | - | - | - | 381,204 |
| | - | - | - | 967,002 |
| | - | - | - | (120,446) |
| | - | - | - | 9,065 |
| | - | - | - | (37) |
| | 391 | (903) | - | (37,623) |
| | - | - | - | 54,144 |
| | - | - | (1,119) | 64,554 |
| \$ | (1,914) | \$ 7,162 | \$ (1,033) | \$ (12,812,723) |

| | | | | |
|----|--------|------|------|------------|
| \$ | - | \$ - | \$ - | \$ 967,002 |
| | 6,161 | - | - | 6,161 |
| | - | - | - | 9,365 |
| | 32,047 | - | - | 32,047 |

Des Moines Independent Community School District

Combining Statement of Net Position (Deficit)

All Internal Service Funds

June 30, 2014

| | Self-Insurance | Risk Management | Collage | Print Shop | Total |
|-------------------------------------|----------------------|-------------------|--------------------|-------------------|----------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 23,608,289 | \$ 217,841 | \$ 150 | \$ - | \$ 23,826,280 |
| Inventories | - | - | - | 46,540 | 46,540 |
| Prepaid items | 6,192 | - | - | 2,044 | 8,236 |
| Total current assets | 23,614,481 | 217,841 | 150 | 48,584 | 23,881,056 |
| Noncurrent assets: | | | | | |
| Advances to other funds | 89,831 | - | - | 67,367 | 157,198 |
| Depreciable capital assets, net | - | - | - | 54,539 | 54,539 |
| Total noncurrent assets | 89,831 | - | - | 121,906 | 211,737 |
| Total assets | \$ 23,704,312 | \$ 217,841 | \$ 150 | \$ 170,490 | \$ 24,092,793 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ - | \$ 60,173 | \$ 149 | \$ 1,780 | \$ 62,102 |
| Claims payable | 3,284,717 | - | - | - | 3,284,717 |
| Accrued payroll | - | - | 129 | 1,417 | 1,546 |
| Due to other governments | 509,717 | - | - | - | 509,717 |
| Unearned revenue | 35,439 | - | - | - | 35,439 |
| Compensated absences | - | - | - | 9,014 | 9,014 |
| Total current liabilities | 3,829,873 | 60,173 | 278 | 12,211 | 3,902,535 |
| Noncurrent liabilities: | | | | | |
| Advances from other funds | - | - | 73,364 | - | 73,364 |
| Compensated absences | - | - | - | 9,507 | 9,507 |
| Total noncurrent liabilities | - | - | 73,364 | 9,507 | 82,871 |
| Total liabilities | 3,829,873 | 60,173 | 73,642 | 21,718 | 3,985,406 |
| Net Position (Deficit) | | | | | |
| Investment in capital assets | - | - | - | 54,539 | 54,539 |
| Unrestricted | 19,874,439 | 157,668 | (73,492) | 94,233 | 20,052,848 |
| Total net position (deficit) | \$ 19,874,439 | \$ 157,668 | \$ (73,492) | \$ 148,772 | \$ 20,107,387 |

Des Moines Independent Community School District

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
All Internal Service Funds
Year Ended June 30, 2014**

| | Self-Insurance | Risk Management | Collage | Print Shop | Total |
|---|-------------------|--------------------|---------------|-----------------|-------------------|
| Operating revenues: | | | | | |
| Charges for services: | | | | | |
| Employee benefits | \$ 55,501,760 | \$ 900,437 | \$ - | \$ - | \$ 56,402,197 |
| Miscellaneous | - | - | 21,608 | 253,881 | 275,489 |
| Total operating revenues | 55,501,760 | 900,437 | 21,608 | 253,881 | 56,677,686 |
| Operating expenses: | | | | | |
| Claims and related costs | 50,070,424 | 819,741 | - | - | 50,890,165 |
| Depreciation | - | - | - | 10,695 | 10,695 |
| Miscellaneous | - | - | 20,753 | 278,769 | 299,522 |
| Total operating expenses | 50,070,424 | 819,741 | 20,753 | 289,464 | 51,200,382 |
| Operating income (loss) | 5,431,336 | 80,696 | 855 | (35,583) | 5,477,304 |
| Total net position (deficit), beginning of year | 14,443,103 | 76,972 | (74,347) | 184,355 | 14,630,083 |
| Total net position (deficit), end of year | \$ 19,874,439 | \$ 157,668 | \$ (73,492) | \$ 148,772 | \$ 20,107,387 |

Des Moines Independent Community School District

**Combining Statement of Cash Flows
All Internal Service Funds
Year Ended June 30, 2014**

| | Risk | | | | |
|--|----------------------|-------------------|---------------|--------------------|----------------------|
| | Self-Insurance | Management | Collage | Print Shop | Total |
| Cash flows from operating activities: | | | | | |
| Cash received from user charges | \$ 55,486,902 | \$ 900,437 | \$ 21,608 | \$ 253,881 | \$ 56,662,828 |
| Cash payments to employees for services | - | - | (13,717) | (215,721) | (229,438) |
| Cash payments to suppliers for goods and services | (50,647,296) | (838,210) | (6,980) | (61,173) | (51,553,659) |
| Net cash provided by (used in) operating activities | 4,839,606 | 62,227 | 911 | (23,013) | 4,879,731 |
| Cash flows from noncapital financing activities: | | | | | |
| Proceeds from other funds | 588,048 | - | - | 6,908 | 594,956 |
| Payments to other funds | - | - | (911) | - | (911) |
| Net cash provided by (used in) noncapital financing activities | 588,048 | - | (911) | 6,908 | 594,045 |
| Net increase (decrease) in cash and cash equivalents | 5,427,654 | 62,227 | - | (16,105) | 5,473,776 |
| Cash and cash equivalents, beginning of year | 18,180,635 | 155,614 | 150 | 16,105 | 18,352,504 |
| Cash and cash equivalents, end of year | \$ 23,608,289 | \$ 217,841 | \$ 150 | \$ - | \$ 23,826,280 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Operating income (loss) | \$ 5,431,336 | \$ 80,696 | \$ 855 | \$ (35,583) | \$ 5,477,304 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Depreciation | - | - | - | 10,695 | 10,695 |
| Changes in assets and liabilities: | | | | | |
| Inventories | - | - | - | 885 | 885 |
| Prepaid items | (1,192) | - | - | (2,044) | (3,236) |
| Accounts payable and due to other governments | 509,717 | (18,469) | 53 | (2,497) | 488,804 |
| Claims payable | (1,085,397) | - | - | - | (1,085,397) |
| Unearned revenue | (14,858) | - | - | - | (14,858) |
| Accrued liabilities | - | - | 3 | 5,531 | 5,534 |
| Net cash provided by (used in) operating activities | \$ 4,839,606 | \$ 62,227 | \$ 911 | \$ (23,013) | \$ 4,879,731 |

Des Moines Independent Community School District

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2014

| | Balance June 30, 2013 | Additions | Deletions | Balance June 30, 2014 |
|---------------------------|--------------------------|-------------------|-------------------|--------------------------|
| Faculty and Staff | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 178,649 | \$ 188,407 | \$ 172,086 | \$ 194,970 |
| Prepaid items | 107 | - | 107 | - |
| Total assets | \$ 178,756 | \$ 188,407 | \$ 172,193 | \$ 194,970 |
| Liabilities | | | | |
| Accounts payable | \$ 11,038 | \$ 171,695 | \$ 173,885 | \$ 8,848 |
| Due to other entities | 167,718 | 188,407 | 170,003 | 186,122 |
| Total liabilities | \$ 178,756 | \$ 360,102 | \$ 343,888 | \$ 194,970 |

This Page Intentionally Left Blank

Des Moines Independent Community School District

Statistical Section

Contents

The statistical section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

| Contents | Page |
|--|-----------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time. | 72 - 87 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax). | 88 - 94 |
| Debt Capacity | |
| These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future. | 95 - 100 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 101 - 102 |
| Operating Information | |
| 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. | 103 - 125 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Des Moines Independent Community School District

**Net Position By Component
Last Ten Fiscal Years
(Accrual Basis Of Accounting)
(Unaudited)**

| | Fiscal Year | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Governmental activities: | | | | |
| Net investment in capital assets | \$ 166,212,168 | \$ 193,522,406 | \$ 223,847,057 | \$ 261,303,316 |
| Restricted | 8,678,939 | 31,370,418 | 35,019,609 | 28,171,672 |
| Unrestricted | 26,325,637 | 14,399,109 | 21,372,567 | 20,680,456 |
| Total governmental activities net position | \$ 201,216,744 | \$ 239,291,933 | \$ 280,239,233 | \$ 310,155,444 |
| Business-type activities: | | | | |
| Investment in capital assets | \$ 2,363,403 | \$ 2,391,487 | \$ 2,320,931 | \$ 2,380,907 |
| Restricted | - | - | - | - |
| Unrestricted | 912,110 | 675,842 | (288,605) | (1,843,960) |
| Total business-type activities net position | \$ 3,275,513 | \$ 3,067,329 | \$ 2,032,326 | \$ 536,947 |
| Primary government: | | | | |
| Net investment in capital assets | \$ 168,575,571 | \$ 195,913,893 | \$ 226,167,988 | \$ 263,684,223 |
| Restricted | 8,678,939 | 31,370,418 | 35,019,609 | 28,171,672 |
| Unrestricted | 27,237,747 | 15,074,951 | 21,083,962 | 18,836,496 |
| Total primary government net position | \$ 204,492,257 | \$ 242,359,262 | \$ 282,271,559 | \$ 310,692,391 |

Source: Comprehensive Annual Financial Report

| | | | | | | | Fiscal Year | | | | | |
|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|--|
| 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | |
| \$ | 295,531,637 | \$ | 321,900,574 | \$ | 338,928,488 | \$ | 359,352,093 | \$ | 373,455,547 | \$ | 385,508,379 | |
| | 27,723,729 | | 26,709,665 | | 31,199,263 | | 29,005,666 | | 28,273,606 | | 27,692,220 | |
| | 17,189,578 | | 10,363,873 | | 14,951,604 | | 35,135,095 | | 50,099,198 | | 55,256,442 | |
| \$ | 340,444,944 | \$ | 358,974,112 | \$ | 385,079,355 | \$ | 423,492,854 | \$ | 451,828,351 | \$ | 468,457,041 | |
| \$ | 2,606,657 | \$ | 2,411,710 | \$ | 2,283,505 | \$ | 1,989,314 | \$ | 2,002,716 | \$ | 2,035,725 | |
| | - | | - | | - | | - | | - | | - | |
| | (2,512,906) | | (2,236,234) | | (1,365,198) | | (245,440) | | 321,461 | | 1,614,094 | |
| \$ | 93,751 | \$ | 175,476 | \$ | 918,307 | \$ | 1,743,874 | \$ | 2,324,177 | \$ | 3,649,819 | |
| \$ | 298,138,294 | \$ | 324,312,284 | \$ | 341,211,993 | \$ | 361,341,407 | \$ | 375,458,263 | \$ | 387,544,104 | |
| | 27,723,729 | | 26,709,665 | | 31,199,263 | | 29,005,666 | | 28,273,606 | | 27,692,220 | |
| | 14,676,672 | | 8,127,639 | | 13,586,406 | | 34,889,655 | | 50,420,659 | | 56,870,536 | |
| \$ | 340,538,695 | \$ | 359,149,588 | \$ | 385,997,662 | \$ | 425,236,728 | \$ | 454,152,528 | \$ | 472,106,860 | |

Des Moines Independent Community School District

**Expenses, Program Revenues and Net (Expense) Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Expenses: | | | | |
| Governmental activities: | | | | |
| Instructional | \$ 191,094,307 | \$ 206,822,872 | \$ 210,863,364 | \$ 229,908,604 |
| Student services | 16,566,058 | 17,175,275 | 17,565,934 | 19,144,119 |
| Instructional support services | 5,322,439 | 6,440,206 | 7,784,381 | 8,020,675 |
| General administration | 5,246,763 | 4,234,165 | 3,862,718 | 4,806,286 |
| Central support services | - | - | - | - |
| Building administration | 15,046,750 | 16,616,658 | 17,965,958 | 18,205,319 |
| Business administration | - | - | - | - |
| Business and central administration | 6,669,808 | 7,292,653 | 9,116,886 | 9,754,807 |
| Plant operation and maintenance | 26,731,721 | 30,416,184 | 31,675,467 | 33,557,855 |
| Student transportation | 8,783,899 | 10,189,064 | 10,856,840 | 10,635,752 |
| Noninstructional | 1,149,267 | 1,367,676 | 1,943,137 | 1,879,027 |
| AEA support | 9,445,390 | 9,855,798 | 10,455,648 | 10,993,407 |
| Interest on long-term debt | 159,296 | 101,253 | 894,900 | 835,766 |
| Total governmental activities expenses | 286,215,698 | 310,511,804 | 322,985,233 | 347,741,617 |
| Business-type activities: | | | | |
| School nutrition | 12,207,914 | 12,865,670 | 13,856,434 | 14,833,221 |
| Child care | 4,277,713 | 4,461,347 | 2,530,578 | 3,479,097 |
| Preschool | - | - | 2,224,190 | - |
| Other | 109,722 | 99,833 | 112,292 | 99,935 |
| Total business-type activities expenses | 16,595,349 | 17,426,850 | 18,723,494 | 18,412,253 |
| Total primary government expenses | \$ 302,811,047 | \$ 327,938,654 | \$ 341,708,727 | \$ 366,153,870 |
| Program revenues: | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Instruction | \$ 12,378,325 | \$ 11,123,854 | \$ 12,002,157 | \$ 10,969,649 |
| Support services | 10,602,249 | 11,153,073 | 11,332,332 | 11,417,248 |
| Operating grants and contributions | 42,485,746 | 48,330,052 | 50,812,813 | 63,411,312 |
| Capital grants and contributions | 896,674 | 1,771,836 | 3,652,164 | 700,002 |
| Total governmental activities program revenues | 66,362,994 | 72,378,815 | 77,799,466 | 86,498,211 |

(Continued)

| | | | | | | Fiscal Year | | | | | |
|------|-------------|------|-------------|------|-------------|-------------|-------------|------|-------------|------|-------------|
| 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | |
| \$ | 238,676,928 | \$ | 245,423,324 | \$ | 251,762,378 | \$ | 256,812,271 | \$ | 258,926,988 | \$ | 269,507,255 |
| | 20,471,493 | | 22,488,603 | | 20,562,462 | | 20,196,523 | | 20,673,660 | | 21,897,132 |
| | 8,445,248 | | 8,263,149 | | 11,926,860 | | 11,652,847 | | 12,021,171 | | 13,454,781 |
| | 5,282,473 | | 4,442,422 | | 4,752,013 | | 4,779,422 | | 5,186,473 | | 6,199,577 |
| | - | | - | | - | | - | | - | | - |
| | 18,902,199 | | 19,797,129 | | 17,692,429 | | 18,738,332 | | 18,779,363 | | 19,406,283 |
| | - | | - | | - | | - | | - | | - |
| | 8,354,561 | | 7,660,791 | | 7,465,018 | | 11,704,743 | | 9,892,503 | | 14,198,791 |
| | 35,647,890 | | 33,438,106 | | 32,500,882 | | 32,450,434 | | 34,339,085 | | 39,242,957 |
| | 10,518,100 | | 10,352,087 | | 10,699,109 | | 10,861,366 | | 11,151,818 | | 13,022,397 |
| | 2,055,069 | | 3,143,025 | | 6,831,871 | | 4,204,202 | | 2,904,231 | | 2,171,793 |
| | 11,511,318 | | 12,463,876 | | 12,878,207 | | 11,699,768 | | 12,235,407 | | 13,086,762 |
| | 709,817 | | 897,462 | | 3,254,529 | | 3,008,867 | | 7,368,345 | | 6,216,637 |
| | 360,575,096 | | 368,369,974 | | 380,325,758 | | 386,108,775 | | 393,479,044 | | 418,404,365 |
| | 14,790,948 | | 14,429,088 | | 13,730,822 | | 14,063,935 | | 15,869,943 | | 16,888,843 |
| | 3,468,091 | | 2,947,012 | | 3,055,421 | | 3,337,286 | | 3,589,842 | | 3,804,322 |
| | - | | - | | - | | - | | - | | - |
| | 97,908 | | 138,258 | | 127,902 | | 108,656 | | 32,246 | | 47,399 |
| | 18,356,947 | | 17,514,358 | | 16,914,145 | | 17,509,877 | | 19,492,031 | | 20,740,564 |
| \$ | 378,932,043 | \$ | 385,884,332 | \$ | 397,239,903 | \$ | 403,618,652 | \$ | 412,971,075 | \$ | 439,144,929 |
| \$ | 10,625,291 | \$ | 9,745,572 | \$ | 10,548,824 | \$ | 10,008,887 | \$ | 9,694,289 | \$ | 9,796,930 |
| | 12,351,149 | | 13,282,400 | | 13,354,070 | | 12,568,464 | | 13,396,056 | | 14,256,785 |
| | 75,779,208 | | 97,746,607 | | 90,715,067 | | 88,937,932 | | 76,875,344 | | 73,477,654 |
| | 3,436,715 | | 597,248 | | 89,825 | | 650,000 | | - | | 13,668 |
| | 102,192,363 | | 121,371,827 | | 114,707,786 | | 112,165,283 | | 99,965,689 | | 97,545,037 |

Des Moines Independent Community School District

Expenses, Program Revenues and Net (Expense) Revenue (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

| | Fiscal Year | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| School nutrition | \$ 4,238,988 | \$ 3,933,497 | \$ 3,904,411 | \$ 3,845,874 |
| Child care | 4,276,989 | 4,516,777 | 2,555,465 | 3,172,336 |
| Preschool | - | - | 1,909,835 | - |
| Other | 92,967 | 129,302 | 78,934 | 72,913 |
| Operating grants and contributions | 8,049,101 | 8,639,090 | 9,239,846 | 9,825,079 |
| Capital grants and contributions | - | - | - | 672 |
| Total business-type program revenues | 16,658,045 | 17,218,666 | 17,688,491 | 16,916,874 |
| Total primary government program revenues | \$ 83,021,039 | \$ 89,597,481 | \$ 95,487,957 | \$ 103,415,085 |
| Net (expense) revenue: | | | | |
| Governmental activities | \$ (219,852,704) | \$ (238,132,989) | \$ (245,185,767) | \$ (261,243,406) |
| Business-type activities | 62,696 | (208,184) | (1,035,003) | (1,495,379) |
| Total primary government net expense | \$ (219,790,008) | \$ (238,341,173) | \$ (246,220,770) | \$ (262,738,785) |

Source: Comprehensive Annual Financial Report

| Fiscal Year | | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|--|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | |
| \$ 4,299,682 | \$ 3,722,647 | \$ 2,945,912 | \$ 2,816,185 | \$ 2,743,057 | \$ 2,753,299 | |
| 3,221,833 | 2,695,149 | 3,053,866 | 3,451,999 | 3,465,978 | 3,799,779 | |
| - | - | - | - | - | - | |
| 67,550 | 104,511 | 96,197 | 93,344 | 62,249 | 53,245 | |
| 10,324,686 | 11,061,636 | 11,561,001 | 11,973,916 | 13,801,050 | 14,772,639 | |
| - | - | - | - | - | 9,365 | |
| 17,913,751 | 17,583,943 | 17,656,976 | 18,335,444 | 20,072,334 | 21,388,327 | |
| <hr/> | | | | | | |
| \$ 120,106,114 | \$ 138,955,770 | \$ 132,364,762 | \$ 130,500,727 | \$ 120,038,023 | \$ 118,933,364 | |
| <hr/> | | | | | | |
| \$ (258,382,733) | \$ (246,998,147) | \$ (265,617,972) | \$ (273,943,492) | \$ (293,513,355) | \$ (320,859,328) | |
| (443,196) | 69,585 | 742,831 | (825,567) | 580,303 | 647,763 | |
| <hr/> | | | | | | |
| \$ (258,825,929) | \$ (246,928,562) | \$ (264,875,141) | \$ (274,769,059) | \$ (292,933,052) | \$ (320,211,565) | |
| <hr/> | | | | | | |

Des Moines Independent Community School District

**General Revenues and Total Change in Net Position
Last Ten Fiscal Years**

(accrual basis of accounting)

(Unaudited)

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Net (expense) revenue: | | | | |
| Governmental activities | \$ (219,852,704) | \$ (238,132,989) | \$ (245,185,767) | \$ (261,243,406) |
| Business-type activities | 62,696 | (208,184) | (1,035,003) | (1,495,379) |
| Total primary government net expense | (219,790,008) | (238,341,173) | (246,220,770) | (262,738,785) |
| General revenues and other changes in net position: | | | | |
| Governmental activities: | | | | |
| Property taxes: | | | | |
| Levied for general purposes | 77,061,329 | 82,065,094 | 85,406,700 | 86,343,532 |
| Levied for management | 11,612,920 | 8,306,453 | 8,641,311 | 8,781,855 |
| Levied for property, plant, and equipment | 5,582,876 | 5,611,478 | 5,921,615 | 6,007,979 |
| Levied for playground | 711,481 | 721,094 | 755,290 | 762,490 |
| Levied for debt service | 827,636 | - | - | - |
| Sales tax, for capital projects | 30,341,530 | 31,448,902 | 30,872,838 | 31,143,691 |
| State foundation aid | 135,379,841 | 142,415,603 | 146,594,229 | 152,188,242 |
| Investment earnings | 1,396,742 | 2,719,950 | 5,284,862 | 2,966,414 |
| Other local sources | 805,062 | 997,253 | 1,230,586 | 1,587,590 |
| State sources | 1,862,040 | 1,922,351 | 1,425,636 | 1,357,067 |
| Transfer from fiduciary fund | 163 | - | - | - |
| Transfers | (622,806) | - | - | - |
| Gain on sale of assets | - | - | - | 20,757 |
| Total governmental activities | 264,958,814 | 276,208,178 | 286,133,067 | 291,159,617 |
| Business-type activities: | | | | |
| Transfers | 622,806 | - | - | - |
| Total business-type activities | 622,806 | - | - | - |
| Total primary government | 265,581,620 | 276,208,178 | 286,133,067 | 291,159,617 |
| Change in net position: | | | | |
| Governmental activities | 45,106,110 | 38,075,189 | 40,947,300 | 29,916,211 |
| Business-type activities | 685,502 | (208,184) | (1,035,003) | (1,495,379) |
| Total primary government | \$ 45,791,612 | \$ 37,867,005 | \$ 39,912,297 | \$ 28,420,832 |

Source: Comprehensive Annual Financial Report

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| \$ (258,382,733) | \$ (246,998,147) | \$ (265,617,972) | \$ (273,943,492) | \$ (293,513,355) | \$ (320,859,328) |
| (443,196) | 69,585 | 742,831 | (825,567) | 580,303 | 647,763 |
| (258,825,929) | (246,928,562) | (264,875,141) | (274,769,059) | (292,933,052) | (320,211,565) |
| 89,272,177 | 90,708,731 | 95,287,091 | 102,565,196 | 100,387,919 | 103,598,448 |
| 9,168,606 | 9,406,937 | 9,881,280 | 10,158,367 | 9,939,725 | 10,136,078 |
| 6,313,191 | 6,522,074 | 6,716,504 | 6,877,426 | 6,830,405 | 6,956,453 |
| 796,190 | 816,470 | 857,952 | 881,995 | 863,021 | 880,069 |
| - | - | - | - | - | - |
| 28,221,919 | 28,617,206 | 24,730,755 | 26,113,779 | 27,431,076 | 27,898,170 |
| 151,858,708 | 127,914,804 | 151,836,554 | 163,593,289 | 174,578,921 | 186,285,458 |
| 623,796 | 189,740 | 835,448 | 64,564 | 377,933 | 533,415 |
| 1,115,926 | 999,696 | 1,130,782 | 2,102,375 | 1,439,852 | 1,877,806 |
| 1,301,720 | 8,999 | 76,686 | - | - | - |
| - | - | - | - | - | - |
| - | (12,140) | - | - | - | (677,879) |
| - | 354,798 | 370,163 | - | - | - |
| 288,672,233 | 265,527,315 | 291,723,215 | 312,356,991 | 321,848,852 | 337,488,018 |
| - | 12,140 | - | - | - | 677,879 |
| - | 12,140 | - | - | - | 677,879 |
| 288,672,233 | 265,539,455 | 291,723,215 | 312,356,991 | 321,848,852 | 338,165,897 |
| 30,289,500 | 18,529,168 | 26,105,243 | 38,413,499 | 28,335,497 | 16,628,690 |
| (443,196) | 81,725 | 742,831 | (825,567) | 580,303 | 1,325,642 |
| \$ 29,846,304 | \$ 18,610,893 | \$ 26,848,074 | \$ 37,587,932 | \$ 28,915,800 | \$ 17,954,332 |

Des Moines Independent Community School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 |
| General Fund: | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Reserved | 4,508,471 | 4,833,376 | 6,352,627 | 7,181,428 |
| Unreserved | 16,062,254 | 22,338,620 | 23,016,816 | 18,517,645 |
| Total General Fund | \$ 20,570,725 | \$ 27,171,996 | \$ 29,369,443 | \$ 25,699,073 |
| All other governmental funds: | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Reserved | 2,363,581 | 879,079 | 437,781 | 702,247 |
| Unreserved, reported in: | | | | |
| Capital projects funds | 13,583,764 | 18,562,188 | 21,210,594 | 14,048,083 |
| Debt service | - | - | - | - |
| Permanent funds | - | - | - | 1,515 |
| Special revenue funds | 7,788,537 | 9,740,894 | 9,680,298 | 9,254,412 |
| Total all other governmental funds | \$ 23,735,882 | \$ 29,182,161 | \$ 31,328,673 | \$ 24,006,257 |

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in fiscal year 2011

Source: Comprehensive Annual Financial Report

| | | | | | | | Fiscal Year | | | | | | |
|-------|------------|------|------------|------|------------|------|-------------|------|------------|------|-------------|------|-------------|
| | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | |
| \$ | - | \$ | 798,809 | \$ | 638,607 | \$ | 520,900 | \$ | 427,883 | \$ | 1,133,969 | \$ | 1,133,969 |
| | - | | 13,429,611 | | 14,421,417 | | 12,777,279 | | 9,777,870 | | 8,471,647 | | 8,471,647 |
| | - | | 1,251,214 | | 2,935,317 | | 2,916,046 | | 6,632,403 | | 11,500,000 | | 11,500,000 |
| | - | | - | | - | | - | | 8,000,000 | | 8,000,000 | | 8,000,000 |
| | - | | 5,636,791 | | 20,607,861 | | 45,507,578 | | 49,196,424 | | 47,321,858 | | 47,321,858 |
| | 11,476,112 | | - | | - | | - | | - | | - | | - |
| | 12,224,448 | | - | | - | | - | | - | | - | | - |
| \$ | 23,700,560 | \$ | 21,116,425 | \$ | 38,603,202 | \$ | 61,721,803 | \$ | 74,034,580 | \$ | 76,427,474 | \$ | 76,427,474 |
| <hr/> | | | | | | | | | | | | | |
| \$ | - | \$ | 21,537 | \$ | - | \$ | 10,628 | \$ | 39,965 | \$ | 16,465 | \$ | 16,465 |
| | - | | 86,496,045 | | 70,379,409 | | 128,843,474 | | 97,382,007 | | 152,135,180 | | 152,135,180 |
| | - | | - | | - | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - | | - |
| | 2,826,104 | | - | | - | | - | | - | | - | | - |
| | 6,030,119 | | - | | - | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - | | - |
| | 1,641 | | - | | - | | - | | - | | - | | - |
| | 10,887,744 | | - | | - | | - | | - | | - | | - |
| \$ | 19,745,608 | \$ | 86,517,582 | \$ | 70,379,409 | \$ | 128,854,102 | \$ | 97,421,972 | \$ | 152,151,645 | \$ | 152,151,645 |

Des Moines Independent Community School District

Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Federal sources, federal grants and other outside sources | \$ 23,768,893 | \$ 28,517,075 | \$ 23,682,244 | \$ 30,387,722 |
| State sources, state foundation aid and other sources | 156,939,811 | 165,966,827 | 173,169,285 | 186,768,387 |
| Intermediate sources | 7,021,145 | 7,427,928 | 8,184,914 | 9,203,713 |
| Local sources, local and other sources | 143,679,034 | 146,054,311 | 152,490,096 | 151,092,795 |
| Total revenues | \$ 331,408,883 | \$ 347,966,141 | \$ 357,526,539 | \$ 377,452,617 |

Source: Comprehensive Annual Financial Report

Note: Beginning in fiscal year 2009, the State Department of Education no longer allows AEA support dollars to be classified as intermediate sources, rather they are now classified as local and other sources.

| | | | | | | Fiscal Year | | | | | |
|------|--------------------|------|--------------------|------|--------------------|-------------|--------------------|------|--------------------|------|--------------------|
| 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | |
| \$ | 35,826,527 | \$ | 55,991,777 | \$ | 48,798,707 | \$ | 48,888,317 | \$ | 37,849,720 | \$ | 30,009,399 |
| | 192,271,659 | | 167,612,566 | | 193,034,832 | | 202,442,682 | | 213,969,591 | | 229,099,059 |
| | 827,589 | | 490,869 | | 425,109 | | 380,240 | | 540,171 | | 708,970 |
| | 163,293,732 | | 157,464,731 | | 166,804,026 | | 172,943,075 | | 168,732,640 | | 175,230,860 |
| \$ | 392,219,507 | \$ | 381,559,943 | \$ | 409,062,674 | \$ | 424,654,314 | \$ | 421,092,122 | \$ | 435,048,288 |

Des Moines Independent Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Instruction | \$ 185,395,424 | \$ 199,686,716 | \$ 204,333,386 | \$ 225,309,061 |
| Student services | 16,530,525 | 17,263,980 | 17,993,709 | 19,497,475 |
| Instructional support services | 5,279,975 | 6,467,422 | 7,685,131 | 8,138,207 |
| General administration | 5,117,631 | 4,328,391 | 3,930,504 | 4,778,387 |
| Building administration | 15,179,285 | 16,642,315 | 18,113,129 | 18,519,205 |
| Business and central administration | 6,312,099 | 7,263,248 | 9,100,426 | 9,240,852 |
| Plant operation & maintenance | 27,167,978 | 30,232,224 | 31,913,066 | 33,505,014 |
| Insurance | - | - | - | - |
| Student transportation | 8,382,171 | 9,452,879 | 10,187,970 | 10,009,481 |
| Non-instructional | 899,519 | 1,158,221 | 1,952,323 | 1,981,376 |
| AEA support | 9,445,390 | 9,855,798 | 10,455,648 | 10,993,407 |
| Unemployment compensation | - | - | - | - |
| Capital outlay | 20,498,715 | 32,154,840 | 56,005,258 | 41,304,558 |
| Capital outlay not capitalized | - | 1,304,604 | 79,949 | 2,302,867 |
| Debt service: | | | | |
| Principal retirement | 1,445,000 | 470,000 | 1,285,000 | 2,090,000 |
| Interest | 158,810 | 100,767 | 806,381 | 822,738 |
| Bond issuance costs | - | - | 65,000 | - |
| Total expenditures | \$ 301,812,522 | \$ 336,381,405 | \$ 373,906,880 | \$ 388,492,628 |
| Debt service as a percentage of noncapital expenditures | 0.57% | 0.19% | 0.66% | 0.84% |

Source: Comprehensive Annual Financial Report

Note: The increase in percentage in fiscal year 2009 is due to early retirement of sales tax revenue bonds.

| | | | | | | | Fiscal Year | | | | | |
|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|--------------|--------------------|--|
| 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | |
| \$ | 232,694,472 | \$ | 232,362,118 | \$ | 235,454,394 | \$ | 242,468,897 | \$ | 248,569,469 | \$ | 258,355,855 | |
| | 20,831,163 | | 21,746,835 | | 19,847,087 | | 20,447,634 | | 20,677,284 | | 21,660,306 | |
| | 8,604,544 | | 8,101,158 | | 11,724,151 | | 11,547,096 | | 12,220,238 | | 13,537,582 | |
| | 5,175,484 | | 4,399,564 | | 4,490,055 | | 4,691,758 | | 5,086,112 | | 6,217,049 | |
| | 19,539,562 | | 19,622,589 | | 17,422,604 | | 18,905,852 | | 19,269,977 | | 19,518,195 | |
| | 7,447,867 | | 7,232,503 | | 7,930,388 | | 11,037,950 | | 9,440,413 | | 12,741,906 | |
| | 35,133,406 | | 32,886,528 | | 31,519,245 | | 31,561,906 | | 33,601,546 | | 38,768,237 | |
| | - | | - | | - | | - | | - | | - | |
| | 9,876,399 | | 9,602,623 | | 9,825,338 | | 10,185,732 | | 10,403,066 | | 12,304,303 | |
| | 2,020,184 | | 2,092,321 | | 2,253,303 | | 2,458,060 | | 1,741,450 | | 1,842,754 | |
| | 11,511,318 | | 12,463,876 | | 12,878,207 | | 11,699,768 | | 12,235,407 | | 13,086,762 | |
| | - | | - | | - | | - | | - | | - | |
| | 22,482,126 | | 38,124,836 | | 39,884,842 | | 41,985,618 | | 51,387,286 | | 40,938,222 | |
| | 4,114,439 | | 3,392,283 | | 7,772,199 | | 5,138,277 | | 3,528,631 | | 897,825 | |
| | 18,810,000 | | 520,000 | | 3,180,000 | | 2,590,000 | | 5,810,000 | | 6,595,000 | |
| | 741,648 | | 39,078 | | 4,334,020 | | 3,418,000 | | 6,348,244 | | 6,036,366 | |
| | - | | 499,051 | | - | | 1,299,592 | | - | | 817,127 | |
| \$ | 398,982,612 | \$ | 393,085,363 | \$ | 408,515,833 | \$ | 419,436,140 | \$ | 440,319,123 | \$ | 453,317,489 | |
| 5.19% | | 0.16% | | 2.04% | | 1.59% | | 3.13% | | 3.26% | | |

Des Moines Independent Community School District

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

| | Fiscal Year | | | |
|--|----------------------|----------------------|---------------------|------------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Excess of revenues over (under) expenditures | \$ 29,596,361 | \$ 11,584,736 | \$ (16,380,341) | \$ (11,040,011) |
| Other financing sources (uses): | | | | |
| Issuance of debt | - | - | 20,700,000 | - |
| Proceeds from sale of capital assets | 23,313 | 462,814 | 24,300 | 47,225 |
| Proceeds from insurance recoveries | - | - | - | - |
| Premiums | - | - | - | - |
| Transfers in | 614,771 | 823,295 | 2,091,381 | 2,912,738 |
| Transfers out | (1,237,414) | (823,295) | (2,091,381) | (2,912,738) |
| Total other financing sources | | | | |
| (uses) | (599,330) | 462,814 | 20,724,300 | 47,225 |
| Net change in fund balances | \$ 28,997,031 | \$ 12,047,550 | \$ 4,343,959 | \$ (10,992,786) |

Source: Comprehensive Annual Financial Report

| Fiscal Year | | | | | |
|----------------|-----------------|--------------|---------------|-----------------|------------------------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| \$ (6,763,105) | \$ (11,525,420) | \$ 546,841 | \$ 5,218,174 | \$ (19,227,001) | \$ (18,269,201) |
| - | 70,000,000 | - | 71,900,000 | - | 70,720,000 |
| 116,446 | 441,743 | 801,763 | 21,150 | 107,648 | 214,140 |
| 387,497 | - | - | - | - | - |
| - | 5,271,516 | - | 4,453,970 | - | 5,135,507 |
| 19,551,648 | 559,078 | 7,514,020 | 6,008,000 | 12,333,049 | 12,631,366 |
| (19,551,648) | (559,078) | (7,514,020) | (6,008,000) | (12,333,049) | (13,309,245) |
| 503,943 | 75,713,259 | 801,763 | 76,375,120 | 107,648 | 75,391,768 |
| \$ (6,259,162) | \$ 64,187,839 | \$ 1,348,604 | \$ 81,593,294 | \$ (19,119,353) | \$ 57,122,567 |

Des Moines Independent Community School District

**Taxable Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

| Levy Year | Collection Year | Real Property | | Personal Property | |
|--------------|--------------------|----------------------|---------------------------|-------------------|---------------------------|
| | | Taxable Value | Estimated Actual Value | Taxable Value | Estimated Actual Value |
| 2003 | 2004-05 | 5,543,600,530 | 8,454,119,460 | - | - |
| 2004 | 2005-06 | 5,551,407,515 | 8,486,145,995 | - | - |
| 2005 | 2006-07 | 5,887,919,450 | 9,410,985,530 | - | - |
| 2006 | 2007-08 | 5,981,343,640 | 9,545,918,160 | - | - |
| 2007 | 2008-09 | 6,287,922,470 | 10,354,470,310 | - | - |
| 2008 | 2009-10 | 6,492,990,940 | 10,515,202,140 | - | - |
| 2009 | 2010-11 | 6,787,866,460 | 10,753,974,740 | - | - |
| 2010 | 2011-12 | 6,906,961,444 | 10,805,005,808 | - | - |
| 2011 | 2012-13 | 6,845,833,397 | 10,453,353,698 | - | - |
| 2012 | 2013-14 | 7,030,673,370 | 10,507,339,484 | | |

Source: Polk County Auditor, Warren County Auditor, and Iowa Department of Management

| Railroad and Utilities | | Gas & Electric | | Total | | Total Direct Rate |
|------------------------|---------------------------|--------------------|---------------------------|----------------------|---------------------------|----------------------|
| Without Gas & Electric | | | | | | |
| Taxable Value | Estimated Actual Value | Taxable Value | Estimated Actual Value | Taxable Value | Estimated Actual Value | |
| 47,860,812 | 47,920,263 | 241,897,198 | 238,380,336 | 5,833,358,540 | 8,740,420,059 | 18.02657 |
| 49,945,107 | 49,945,107 | 227,362,080 | 249,987,192 | 5,828,714,702 | 8,786,078,294 | 18.01394 |
| 51,788,634 | 52,781,112 | 226,290,321 | 272,409,082 | 6,165,998,405 | 9,736,175,724 | 18.01713 |
| 43,993,892 | 44,752,336 | 220,407,867 | 292,396,945 | 6,245,745,399 | 9,883,067,441 | 17.93709 |
| 44,719,491 | 45,514,985 | 229,880,963 | 285,085,397 | 6,562,522,924 | 10,685,070,692 | 17.78888 |
| 44,706,450 | 45,515,560 | 233,093,334 | 320,082,558 | 6,770,790,724 | 10,880,800,258 | 17.64277 |
| 47,026,045 | 47,026,045 | 222,317,184 | 328,932,292 | 7,057,209,689 | 11,129,933,077 | 17.64347 |
| 52,757,932 | 52,757,932 | 235,362,890 | 337,445,312 | 7,195,082,266 | 11,195,209,052 | 18.34848 |
| 55,092,528 | 55,092,528 | 232,662,908 | 345,375,275 | 7,133,588,833 | 10,853,821,501 | 18.34845 |
| 57,982,509 | 57,982,509 | 231,076,580 | 357,993,296 | 7,319,732,459 | 10,923,315,289 | 18.14592 |

Des Moines Independent Community School District

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

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

(Unaudited)

| Levy Year | Collection Year | District Direct Rates | | | | | | | Total |
|--------------|--------------------|-----------------------|--------------------|----------------|----------------|-------------|-----------------|-----------------|-------|
| | | General Fund | Management Fund | PPEL Fund | PERL Fund | Schoolhouse | Debt Service | | |
| 2003 | 2004-05 | \$ 14.62194 | \$ 2.20349 | \$ 0.96000 | \$ 0.13500 | \$ - | \$ 0.10614 | \$ 18.02657 | |
| 2004 | 2005-06 | 15.36410 | 1.55484 | 0.96000 | 0.13500 | - | - | 18.01394 | |
| 2005 | 2006-07 | 15.36729 | 1.55484 | 0.96000 | 0.13500 | - | - | 18.01713 | |
| 2006 | 2007-08 | 15.28725 | 1.55484 | 0.96000 | 0.13500 | - | - | 17.93709 | |
| 2007 | 2008-09 | 15.13904 | 1.55484 | 0.96000 | 0.13500 | - | - | 17.78888 | |
| 2008 | 2009-10 | 14.99293 | 1.55484 | 0.96000 | 0.13500 | - | - | 17.64277 | |
| 2009 | 2010-11 | 14.99363 | 1.55484 | 0.96000 | 0.13500 | - | - | 17.64347 | |
| 2010 | 2011-12 | 15.69864 | 1.55484 | 0.96000 | 0.13500 | - | - | 18.34848 | |
| 2011 | 2012-13 | 15.69861 | 1.55484 | 0.96000 | 0.13500 | - | - | 18.34845 | |
| 2012 | 2013-14 | 15.14156 | 1.90936 | 0.96000 | 0.13500 | | | 18.14592 | |

(Continued)

Overlapping Rates

| Polk County | County Hospital | City of Des Moines | City of Norwalk | City of Pleasant Hill | City of Urbandale | City of Windsor Hts | City of WDM | Bloomfield Township | Ag Extension | Assessor |
|----------------|--------------------|-----------------------|--------------------|--------------------------|----------------------|------------------------|-----------------|------------------------|-----------------|----------------|
| \$ 6.35281 | \$ 3.25699 | \$ 17.05539 | \$ 12.43283 | \$ 11.48228 | \$ 9.07306 | \$ 12.62510 | \$ 11.72777 | \$ 1.26683 | \$ 0.03735 | \$ 0.31745 |
| 6.34845 | 3.20245 | 16.52000 | 12.43282 | 11.48189 | 9.07010 | 12.62896 | 11.72540 | 1.20791 | 0.03791 | 0.35437 |
| 6.34845 | 3.49157 | 16.45083 | 13.92023 | 11.48197 | 9.07393 | 12.21843 | 11.95000 | 1.18175 | 0.03771 | 0.29738 |
| 6.84207 | 2.96959 | 16.59028 | 14.98315 | 11.48209 | 9.22000 | 12.40322 | 12.04999 | 0.60759 | 0.03703 | 0.31349 |
| 6.83696 | 2.92408 | 16.57606 | 14.36542 | 11.48208 | 9.22000 | 14.79484 | 12.05000 | 0.60766 | 0.03717 | 0.32711 |
| 6.82855 | 2.80423 | 16.57614 | 14.60000 | 11.65000 | 9.22000 | 13.76398 | 12.05000 | 0.87750 | 0.03752 | 0.30104 |
| 6.81833 | 2.92111 | 16.57614 | 14.60000 | 11.65006 | 9.32000 | 13.31499 | 12.05000 | 0.87750 | 0.03631 | 0.27848 |
| 6.80992 | 2.92193 | 16.58000 | 16.34634 | 11.65000 | 9.52000 | 13.31486 | 12.05000 | 0.87750 | 0.03696 | 0.24628 |
| 6.80992 | 2.97819 | 16.91982 | 15.69000 | 11.65000 | 9.62000 | 13.31499 | 12.05000 | 0.87750 | 0.03866 | 0.24382 |
| 6.94381 | 2.99567 | 16.92001 | 15.69000 | 11.64997 | 9.57000 | 13.89892 | 12.05000 | 0.87733 | 0.03945 | 0.27822 |

Des Moines Independent Community School District

Direct and Overlapping Property Tax Rates (Continued)

Last Ten Fiscal Years

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

(Unaudited)

| Levy Year | Collection Year | Overlapping Rates | | | | | | | |
|-------------|-----------------|-------------------|-----------------|----------------------|----------------|---------------------------|---------------------------|---------------------|-----------------|
| | | State | Area XI College | Urbandale-WH SS Dist | Downtown SSMID | Sherman Hills Lighting #1 | Sherman Hills Lighting #2 | Highland Park SSMID | Ingersoll SSMID |
| 2003 | 2004-05 | \$ 0.00400 | \$ 0.59856 | \$ 0.08701 | \$ 0.99883 | \$ 0.80377 | \$ 1.50003 | \$ - | \$ - |
| 2004 | 2005-06 | 0.00400 | 0.68408 | 0.17530 | 1.00000 | 1.49508 | 1.50003 | 1.75000 | - |
| 2005 | 2006-07 | 0.00400 | 0.68688 | 0.16805 | 1.00000 | 1.50003 | 1.50002 | 1.74996 | - |
| 2006 | 2007-08 | 0.00350 | 0.60276 | 0.16848 | 1.00000 | 1.49988 | 1.50000 | 1.74996 | 1.74997 |
| 2007 | 2008-09 | 0.00350 | 0.56386 | 0.16550 | 0.99813 | 1.49999 | 1.49999 | 1.75000 | 1.75000 |
| 2008 | 2009-10 | 0.00300 | 0.56778 | 0.24131 | 1.00000 | 1.49983 | 1.49996 | 1.74992 | 1.75000 |
| 2009 | 2010-11 | 0.00340 | 0.56008 | 0.28411 | 1.00472 | 1.49989 | 1.50727 | 1.75003 | 1.75001 |
| 2010 | 2011-12 | 0.00320 | 0.59018 | 0.38435 | 1.00472 | 1.49996 | 1.50727 | 1.74999 | 1.75004 |
| 2011 | 2012-13 | 0.00330 | 0.58466 | 0.47069 | 1.00000 | 1.50011 | 1.50002 | 1.75001 | 1.75001 |
| 2012 | 2013-14 | 0.00330 | 0.69120 | 0.47163 | 1.15002 | 1.50021 | 1.50001 | 1.75002 | 2.25000 |

Source: Polk County Auditor

Des Moines Independent Community School District

**Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)**

| Taxpayer | 2014 | | | 2005 | | |
|----------------------------------|-----------------------|------|-----------------------------------|-----------------------|------|-----------------------------------|
| | Taxable Value | Rank | Percentage of Total Taxable Value | Taxable Value | Rank | Percentage of Total Taxable Value |
| Principal Financial Group, Inc. | 195,332,190 | 1 | 2.67% | 214,185,690 | 1 | 3.67% |
| Nationwide Mutual Insurance | 170,785,980 | 2 | 2.33% | 70,763,630 | 2 | 1.21% |
| Wellmark, Inc | 109,094,400 | 3 | 1.49% | | | 0.00% |
| Wells Fargo Financial Inc. | 96,811,700 | 4 | 1.32% | 46,512,600 | 4 | |
| Employers Mutual Casualty Co | 51,601,570 | 5 | 0.70% | 38,955,400 | 9 | 0.67% |
| Mercy Medical Plaza | 48,450,670 | 6 | 0.66% | 42,477,280 | 7 | 0.73% |
| IA Methodist Medical CNT & Plaza | 35,651,390 | 7 | 0.49% | 42,853,420 | 5 | 0.74% |
| Meredith Corporation | 33,282,900 | 8 | 0.45% | 41,221,000 | 8 | 0.71% |
| Merle Hay Mall | 30,337,200 | 9 | 0.41% | 31,542,000 | 10 | |
| Hubbell Realty of Iowa LLC | 28,950,000 | 10 | 0.40% | 49,788,990 | 3 | 0.85% |
| Ruan Center Corp | | | | 42,609,300 | 6 | 0.73% |
| Total | \$ 800,298,000 | | 10.93% | \$ 620,909,310 | | 10.65% |

Source: Polk County Assessor

Des Moines Independent Community School District

Property Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited)

| Fiscal Year | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | |
|----------------|--|---|-----------------------|
| | | Amount | Percentage of Levy |
| 2005 | \$ 96,308,035 | \$ 95,796,242 | 99.47% |
| 2006 | 96,901,103 | 96,704,119 | 99.80% |
| 2007 | 101,152,617 | 100,724,916 | 99.58% |
| 2008 | 102,277,748 | 101,895,857 | 99.63% |
| 2009 | 105,892,487 | 105,550,164 | 99.68% |
| 2010 | 107,733,427 | 107,454,211 | 99.74% |
| 2011 | 113,255,898 | 112,742,827 | 99.55% |
| 2012 | 120,926,483 | 120,482,983 | 99.63% |
| 2013 | 118,233,562 | 117,976,885 | 99.78% |
| 2014 | 122,372,255 | 121,533,168 | 99.31% |

Source: Polk County Auditor and District records.

Des Moines Independent Community School District

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)**

| Fiscal Year | Population | Assessed Value Property | Legal Debt Limit (5%) | General Bonded Debt Outstanding | | | | Total | Debt to Assessed Value | Per Capita |
|----------------|----------------|----------------------------|--------------------------|---------------------------------|--|------------------------------------|--------------|--------------|------------------------------|------------|
| | | | | General Obligation Bonds | General Obligation Capital Loan Notes | Qualified Zone Academy Bonds | | | | |
| | | | | | | | | | | |
| 2005 | 196,093 | \$ 8,740,420,059 | \$ 437,021,003 | \$ - | \$ 3,015,000 | \$ 1,000,000 | \$ 4,015,000 | 0.05% | \$ 20.47 | |
| 2006 | 196,093 | 8,862,397,979 | 443,119,899 | - | 2,545,000 | 1,000,000 | 3,545,000 | 0.04% | 18.08 | |
| 2007 | 196,093 | 9,736,175,724 | 486,808,786 | - | 2,060,000 | 1,000,000 | 3,060,000 | 0.03% | 15.60 | |
| 2008 | 196,093 | 9,883,067,441 | 494,153,372 | - | 1,570,000 | 1,000,000 | 2,570,000 | 0.03% | 13.11 | |
| 2009 | 196,093 | 10,685,070,692 | 534,253,535 | - | 1,060,000 | 1,000,000 | 2,060,000 | 0.02% | 10.51 | |
| 2010 | 193,886 | 10,880,800,258 | 544,040,013 | - | 540,000 | 1,000,000 | 1,540,000 | 0.01% | 7.94 | |
| 2011 | 193,886 | 11,129,933,077 | 556,496,654 | - | - | - | - | 0.00% | - | |
| 2012 | 206,599 | 11,195,209,052 | 560,590,108 | - | - | - | - | 0.00% | - | |
| 2013 | 206,688 | 10,853,821,501 | 542,691,075 | - | - | - | - | 0.00% | - | |
| 2014 | 207,510 | 10,923,315,289 | 546,165,764 | | | | | 0.00% | | |

Source: Polk County Auditor, Warren County Auditor, Iowa Department of Management, U.S. Census Bureau, and District Records

Des Moines Independent Community School District

**Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)**

| Fiscal Year | Governmental Activities | | | | LOST/ Statewide Penny Revenue Bonds | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|-----------------------------|--|---------------------------------|--------------------|---|--------------------------------|-------------------------------------|------------|
| | General Obligation Bonds | General Obligation Capital Loan Notes | Qualified Zone Academy Bonds | | | | | |
| 2005 | \$ - | \$ 3,015,000 | \$ 1,000,000 | \$ - | \$ 4,015,000 | | | |
| 2006 | - | 2,545,000 | 1,000,000 | - | 3,545,000 | 0.05% | \$ 18.08 | |
| 2007 | - | 2,060,000 | 1,000,000 | 19,900,000 | 22,960,000 | 0.30% | \$ 117.09 | |
| 2008 | - | 1,570,000 | 1,000,000 | 18,300,000 | 20,870,000 | 0.26% | \$ 106.43 | |
| 2009 | - | 1,060,000 | 1,000,000 | - | 2,060,000 | 0.02% | \$ 10.51 | |
| 2010 | - | 540,000 | 1,000,000 | 70,000,000 | 71,540,000 | 0.86% | \$ 368.98 | |
| 2011 | - | - | - | 68,360,000 | 68,360,000 | 0.83% | \$ 352.58 | |
| 2012 | - | - | - | 137,670,000 | 137,670,000 | 1.51% | \$ 666.36 | |
| 2013 | - | - | - | 131,860,000 | 131,860,000 | 1.41% | \$ 637.97 | |
| 2014 | | | | 195,985,000 | 195,985,000 | 2.39% | \$ 944.46 | |

Source: District Records

Des Moines Independent Community School District

Direct and Overlapping Governmental Activities Debt

As of June 30, 2014

(Unaudited)

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Direct and Overlapping Debt |
|---|-------------------------|---------------------------------------|--|
| Overlapping: | | | |
| City of Des Moines | \$ 424,844,439 | 96.4% | \$ 409,550,000 |
| City of Pleasant Hill | 7,590,000 | 24.1% | 1,829,000 |
| City of Urbandale | 50,390,000 | 10.0% | 5,039,000 |
| City of Windsor Heights | 10,345,000 | 0.9% | 93,000 |
| City of West Des Moines | 97,969,496 | 0.1% | 98,000 |
| Des Moines Area Community College | 69,775,000 | 30.1% | 21,002,000 |
| Polk County | 316,914,566 | 35.3% | 111,871,000 |
| Warren County | 173,844 | 5.4% | 9,000 |
| Subtotal, overlapping debt | 978,002,345 | | 549,491,000 |
| Direct, Des Moines Independent Community School District: | | | |
| Sales tax revenue bond | 195,985,000 | 100.0% | 195,985,000 |
| Subtotal direct debt | 195,985,000 | | 195,985,000 |
| Total direct and overlapping debt | \$ 1,173,987,345 | | \$ 745,476,000 |

Source: State Treasurer of Iowa, Outstanding Obligation Report(2013 latest available data); District records.

The percentage applicable to the District is determined by the portion of the District geographical boundary included in the total boundary of the respective governmental entity.

Des Moines Independent Community School District

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

| | 2005 | 2006 | 2007 | 2008 |
|---|----------------|----------------|----------------|----------------|
| Debt limit | \$ 437,021,003 | \$ 443,119,899 | \$ 486,808,786 | \$ 494,153,352 |
| Total net debt applicable to limit | 4,015,000 | 3,545,000 | 22,960,000 | 20,870,000 |
| Legal debt margin | \$ 433,006,003 | \$ 439,574,899 | \$ 463,848,786 | \$ 473,283,352 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.92% | 0.80% | 4.72% | 4.22% |

Source: Polk County Auditor and District Records

Legal Debt Margin Calculation for Fiscal Year 2014

| | |
|-----------------------------------|---------------------------------|
| Assessed value | <u><u>\$ 10,923,315,289</u></u> |
| Debt limit (5% of assessed value) | <u>\$ 546,165,764</u> |
| Debt applicable to limit | <u>195,985,000</u> |
| Legal debt margin | <u><u>\$ 350,180,764</u></u> |

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ | 534,253,535 | \$ 544,040,013 | \$ 556,496,654 | \$ 559,760,453 | \$ 546,165,764 | \$ 546,165,764 |
| | 2,060,000 | 71,540,000 | 68,360,000 | 137,670,000 | 131,860,000 | 195,985,000 |
| \$ | <u>532,193,535</u> | \$ <u>472,500,013</u> | \$ <u>488,136,654</u> | \$ <u>422,090,453</u> | \$ <u>414,305,764</u> | \$ <u>350,180,764</u> |
| | 0.39% | 13.15% | 12.28% | 24.59% | 24.14% | 35.88% |

Des Moines Independent Community School District

Pledged-Revenue Coverage

Last Ten Fiscal Years

(Unaudited)

| Fiscal Year | Local Option Sales and Services Tax | | | | Coverage |
|----------------|-------------------------------------|------------------|------------------|----------|---------------|
| | Revenue | Debt Service | | Interest | |
| | | Principal | | | |
| 2005 | N/A | N/A | N/A | N/A | N/A |
| 2006 | N/A | N/A | N/A | N/A | N/A |
| 2007 | \$ 28,220,269 | \$ 800,000 | \$ 719,468 | | 5.38% |
| 2008 | 30,301,047 | 1,600,000 | 750,750 | | 7.76% |
| 2009 | 30,821,593 | 18,300,000 | 685,300 | | 61.60% |
| 2010 | 24,841,106 | # | # | | 0.00% |
| 2011 | 28,174,783 | 1,640,000 | 4,313,500 | | 21.13% |
| 2012 | 26,045,238 | 2,590,000 | 3,418,000 | | 23.07% |
| 2013 | 27,364,977 | 5,810,000 | 6,348,244 | | 44.43% |
| 2014 | 27,874,657 | 6,595,000 | 6,036,366 | | 45.31% |

N/A - There were no revenue bonds outstanding in each of these years.

- There were no payments due on revenue bonds outstanding during fiscal year 2010.

Note:

The statewide penny sales (SWP) tax was implemented in the District on July 1, 2010. The District's SWP tax revenue for each fiscal year is calculated by multiplying the certified enrollment by the statewide average tax revenue per student. The statewide average is calculated by dividing the total statewide penny sales tax revenue by the statewide enrollment.

Des Moines Independent Community School District

Demographic and Economic Statistics

Last Ten Calendar Years

(Unaudited)

| Calendar Year | Population | Per Capita Personal Income | Personal Income for Polk County | Unemployment Rate |
|---------------|----------------|----------------------------|---------------------------------|-------------------|
| 2005 | 196,093 | 38,895 | 7,627,037,235 | 4.6% |
| 2006 | 196,093 | 39,418 | 7,729,593,874 | 3.8% |
| 2007 | 196,093 | 40,764 | 7,993,535,052 | 3.7% |
| 2008 | 196,093 | 48,980 | 9,604,635,140 | 6.7% |
| 2009 | 193,886 | 43,098 | 8,356,098,828 | 6.4% |
| 2010 | 193,886 | 42,381 | 8,217,082,566 | 6.0% |
| 2011 | 206,599 | 44,178 | 9,127,130,622 | 5.4% |
| 2012 | 206,688 | 45,356 | 9,374,540,928 | 4.8% |
| 2013 | 207,510 | 46,753 | 9,701,715,030 | 4.2% |

Note: FY2000 through FY2009 from the 2000 US Census.

FY10 Information taken from 2006 population estimate from the US Census Bureau

FY11 Population data based on Census 2006, 2010 data not available for Des Moines

Per Capita Personal Income from IA Workforce Development 2008 data - most recent

Source: Iowa Workforce Development, U.S. Census Bureau

Des Moines Independent Community School District

Largest Public and Private Employers in Greater Des Moines Region

Current Year

(Unaudited)

| Employer | 2014 | | | 2005 | | |
|--|-------------|------|--------------------------------|----------------|------|--------------------------------|
| | Employees * | Rank | Percentage of Total Employment | Employees **** | Rank | Percentage of Total Employment |
| Wells Fargo | 13,500 | 1 | 4.1% | | 8 | |
| Hy-Vee Food Corporation | 7,500 | 2 | 2.3% | | | |
| Mercy Medical Center | 7,305 | 3 | 2.2% | | 3 | |
| UnityPoint Health(Iowa Health System) | 6,329 | 4 | 1.9% | | 2 | |
| Principal Financial Group, Inc. | 6,131 | 5 | 1.9% | | 1 | |
| Des Moines Independent CSD*** | 5,056 | 6 | 1.5% | 4,973 | | |
| Nationwide/Allied Insurance | 4,300 | 7 | 1.3% | | | |
| John Deere companies | 3,089 | 8 | 0.9% | | 9 | |
| Dupont Pioneer | 3,000 | 9 | 0.9% | | 10 | |
| Kum & Go | 1,820 | 10 | 0.6% | | | |
| Blank Children's Pediatric(now part of UnityPoint) | | | | | 4 | |
| HP Enterprise Services(CDS) | | | | | 5 | |
| Des Moines Register | | | | | 6 | |
| Bridgestone America Tire(Firestone) | | | | | 7 | |

Total employment ** 330,500

Source:

* Greater Des Moines Partnership

** Bureau of Labor Statistics, US Dept. of Labor:

County employment and wages in Iowa, second quarter 2012:

*** District records

**** Greater Des Moines Partnership, rankings of public corporations only available for 2005

This Page Intentionally Left Blank

Des Moines Independent Community School District

**Full-Time Equivalent District Employees By Type
Last Ten Fiscal Years
(Unaudited)**

| | Full-Time Equivalent Employees as of June 30 | | | | |
|---|--|----------------|----------------|----------------|----------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Administrators | | | | | |
| Central Office | 33.5 | 32.5 | 32.5 | 32.0 | 40.0 |
| Elementary Schools | 33.0 | 33.0 | 33.0 | 33.0 | 36.0 |
| Middle Schools | 21.5 | 21.5 | 22.0 | 22.0 | 22.0 |
| High Schools | 24.5 | 24.5 | 26.0 | 29.0 | 28.0 |
| Special Schools | 7.0 | 7.0 | 7.0 | 8.0 | 5.0 |
| Total Administrators | 119.5 | 118.5 | 120.5 | 124.0 | 131.0 |
| Teachers | | | | | |
| Academic Support | - | - | - | - | - |
| Behavior Coach | - | - | - | - | - |
| Non-classroom (other) | 39.8 | 41.5 | 42.7 | 30.1 | 21.3 |
| Classroom teachers | 1,442.6 | 1,474.9 | 1,500.0 | 1,541.5 | 1,538.5 |
| Counselors | 75.0 | 73.9 | 75.2 | 76.7 | 81.9 |
| Dean of Students | 26.3 | 27.7 | 31.2 | 34.0 | 31.4 |
| Educational tech support | 4.4 | 3.6 | 5.8 | 6.2 | 4.0 |
| ELL | 66.5 | 67.1 | 85.7 | 84.3 | 81.3 |
| Facilitator | 7.9 | 7.9 | 7.9 | 7.0 | 8.0 |
| Gifted and Talented | 8.5 | 8.5 | 8.5 | 7.5 | 7.5 |
| Head Start | 15.0 | 15.0 | 15.0 | 16.0 | 15.0 |
| Home Instruction | 9.5 | 9.5 | 9.5 | 8.5 | 8.5 |
| International Baccalaureate Coordinator | - | - | - | - | - |
| Library/Media specialists | 14.4 | 9.4 | 9.4 | 8.4 | 8.0 |
| Literacy trainer | 7.2 | 6.0 | 6.0 | - | - |
| Mentor Teacher | - | - | - | - | - |
| Montessori | 6.9 | - | - | - | - |
| New Horizons teachers | 5.0 | 5.0 | 5.5 | 6.5 | 8.0 |
| Nurses | 54.9 | 54.0 | 53.6 | 55.8 | 55.4 |
| Nursery | 1.0 | - | - | - | - |
| Preschool | 20.5 | 20.5 | 20.5 | 47.5 | 48.0 |
| Special Ed literacy support | 5.8 | 10.6 | 8.6 | - | - |
| Special Ed teachers | 533.2 | 561.4 | 572.0 | 577.9 | 558.4 |
| Special Ed consultants | 32.4 | 30.2 | 29.2 | 31.0 | 31.0 |
| Special Ed Support | 100.3 | 115.7 | 124.0 | 132.0 | 126.1 |
| Title I | 156.8 | 172.0 | 158.6 | 172.0 | 185.3 |
| Float | 0.5 | 1.0 | 3.0 | 2.0 | 1.0 |
| Total teachers | 2,634.4 | 2,715.3 | 2,771.8 | 2,844.9 | 2,818.6 |
| Associates | | | | | |
| Central Office | 4.6 | 3.0 | 3.0 | 9.6 | 3.6 |
| Elementary Schools | 208.5 | 239.7 | 245.3 | 254.5 | 252.9 |
| Middle Schools | 68.9 | 69.7 | 66.4 | 62.8 | 62.8 |
| High Schools | 58.4 | 69.0 | 70.0 | 70.5 | 72.5 |
| Special Schools | 195.5 | 177.6 | 183.6 | 179.7 | 161.9 |
| Total associates | 535.9 | 559.0 | 568.3 | 577.1 | 553.7 |

Source: District records

(Continued)

| Full-Time Equivalent Employees as of June 30 | | | | | Percentage |
|--|---------|---------|---------|----------------|-----------------------|
| 2010 | 2011 | 2012 | 2013 | 2014 | Change 2005 - 2014 |
| 39.0 | 29.0 | 30.0 | 35.0 | 36.0 | 7.5% |
| 37.0 | 37.0 | 37.0 | 37.0 | 37.0 | 12.1% |
| 20.0 | 22.0 | 21.0 | 21.0 | 21.0 | -2.3% |
| 29.0 | 21.0 | 22.0 | 22.0 | 22.0 | -10.2% |
| 5.0 | 6.0 | 7.0 | 8.0 | 8.0 | 14.3% |
| 130.0 | 115.0 | 117.0 | 123.0 | 124.0 | 3.8% |
| - | 24.0 | 26.0 | 25.0 | 26.0 | 100.0% |
| - | - | - | 7.5 | 9.5 | 100.0% |
| 22.6 | 28.7 | 29.4 | 14.9 | 14.8 | -62.8% |
| 1,514.4 | 1,493.9 | 1,503.6 | 1,499.5 | 1,555.0 | 7.8% |
| 76.1 | 57.0 | 51.5 | 58.3 | 58.4 | -22.1% |
| 31.0 | 15.0 | 17.0 | 16.2 | 14.5 | -44.9% |
| 2.5 | 3.0 | - | - | - | -100.0% |
| 81.3 | 84.3 | 85.3 | 86.8 | 88.8 | 33.5% |
| 2.0 | 1.0 | 1.0 | - | - | -100.0% |
| 7.5 | 8.0 | 9.0 | 11.0 | 11.0 | 29.4% |
| 18.5 | 17.5 | 15.5 | 14.5 | 13.5 | -10.0% |
| 8.0 | 7.0 | 7.0 | 7.0 | 6.0 | -36.8% |
| - | - | 5.0 | 7.0 | 8.0 | 100.0% |
| 8.0 | 5.0 | 5.0 | 3.0 | 2.0 | -86.1% |
| - | - | - | - | - | -100.0% |
| - | - | - | - | 10.5 | 100.0% |
| - | - | - | - | - | -100.0% |
| 4.0 | - | - | - | - | -100.0% |
| 54.7 | 57.9 | 57.3 | 57.6 | 57.7 | 5.1% |
| - | - | - | - | - | -100.0% |
| 46.5 | 43.5 | 34.5 | 38.5 | 38.5 | 87.8% |
| - | - | - | - | - | -100.0% |
| 524.9 | 493.9 | 506.4 | 508.8 | 509.3 | -4.5% |
| 30.5 | 33.0 | 32.0 | 30.0 | 31.0 | -4.3% |
| 124.5 | 112.7 | 124.2 | 128.2 | 126.4 | 26.0% |
| 194.8 | 180.8 | 181.0 | 171.4 | 187.8 | 19.8% |
| 14.2 | 1.0 | - | 2.0 | 4.0 | 700.0% |
| 2,766.0 | 2,667.2 | 2,690.7 | 2,687.2 | 2,772.7 | 5.2% |
| 5.8 | 8.8 | 7.8 | 9.8 | 11.8 | 156.5% |
| 219.5 | 202.3 | 223.8 | 211.0 | 222.0 | 6.5% |
| 52.0 | 58.8 | 59.5 | 62.0 | 61.0 | -11.5% |
| 63.5 | 56.0 | 53.2 | 44.6 | 46.0 | -21.2% |
| 154.6 | 164.4 | 163.5 | 191.9 | 180.2 | -7.8% |
| 495.4 | 490.3 | 507.8 | 519.3 | 521.0 | -2.8% |

Des Moines Independent Community School District

**Full-Time Equivalent District Employees By Type (Continued)
Last Ten Fiscal Years
(Unaudited)**

| | Full-Time Equivalent Employees as of June 30 | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Specialist, Clerical, and Paraprofessionals | | | | | |
| Central Office | 180.6 | 191.6 | 199.1 | 190.4 | 194.1 |
| Elementary Schools | 111.7 | 110.8 | 112.6 | 113.7 | 114.7 |
| Middle Schools | 40.4 | 45.5 | 57.9 | 56.1 | 47.2 |
| High Schools | 90.3 | 87.6 | 99.2 | 109.4 | 119.9 |
| Special Schools | 24.5 | 15.0 | 15.0 | 15.1 | 9.4 |
| Total specialists, clerical, and paraprofessionals | 447.5 | 450.5 | 483.8 | 484.7 | 485.3 |
| Food Service, Operations, Transportation and Child Care | | | | | |
| Central Office | 333.0 | 326.2 | 328.8 | 357.1 | 365.1 |
| Elementary Schools | 282.7 | 282.2 | 286.2 | 267.1 | 272.0 |
| Middle Schools | 119.0 | 117.4 | 115.2 | 113.1 | 111.9 |
| High Schools | 131.9 | 128.1 | 137.5 | 126.5 | 127.6 |
| Special Schools | 11.0 | 10.4 | 11.0 | 12.1 | 12.3 |
| Total food svc, oper, transportation, and child care | 877.7 | 864.3 | 878.6 | 876.0 | 888.9 |
| Total | 4,614.9 | 4,707.6 | 4,823.0 | 4,906.7 | 4,877.5 |

* Detail unavailable

Source: District records

| Full-Time Equivalent Employees as of June 30 | | | | | Percentage |
|--|---------|---------|---------|----------------|-----------------------|
| 2010 | 2011 | 2012 | 2013 | 2014 | Change 2005 - 2014 |
| 189.6 | 191.1 | 187.0 | 181.7 | 206.5 | 0.14 |
| 105.2 | 101.0 | 100.6 | 119.4 | 124.4 | 0.11 |
| 58.6 | 61.4 | 63.6 | 63.9 | 65.6 | 0.62 |
| 109.7 | 126.3 | 125.1 | 122.9 | 124.1 | 0.37 |
| 22.6 | 11.4 | 19.0 | 20.9 | 21.5 | (0.12) |
| 485.7 | 491.2 | 495.3 | 508.8 | 542.1 | 0.21 |
| 345.6 | 414.6 | 380.6 | 373.0 | 344.9 | 0.04 |
| 265.3 | 166.9 | 215.8 | 216.4 | 221.1 | (0.22) |
| 113.1 | 105.9 | 100.9 | 97.0 | 99.5 | (0.16) |
| 134.3 | 131.4 | 118.3 | 119.1 | 124.9 | (0.05) |
| 10.8 | 12.8 | 10.4 | 11.2 | 13.3 | 0.21 |
| 869.1 | 831.6 | 826.0 | 816.7 | 803.7 | (0.08) |
| 4,746.2 | 4,595.3 | 4,641.6 | 4,655.0 | 4,763.5 | 0.03 |

Des Moines Independent Community School District

**Operating Statistics
Last Ten Fiscal Years
(Unaudited)**

| Fiscal Year | Enrollment | Operating Expenditures | Cost Per Pupil | Percentage Change | Business-Type Expenses | Cost Per Pupil | Percentage Change |
|-------------|-----------------|------------------------|----------------|-------------------|------------------------|----------------|-------------------|
| 2005 | 32,139.0 | \$ 286,056,402 | \$ 8,901 | (1.99) | \$ 16,595,349 | \$ 516 | 6.83 |
| 2006 | 31,874.0 | 310,410,551 | 9,739 | 9.41 | 17,426,850 | 547 | 6.01 |
| 2007 | 31,549.0 | 322,090,333 | 10,209 | 4.83 | 18,786,986 | 595 | 8.78 |
| 2008 | 31,218.4 | 346,905,851 | 11,112 | 0.09 | 18,412,253 | 590 | (0.01) |
| 2009 | 31,128.8 | 359,402,985 | 11,546 | 0.04 | 18,356,947 | 590 | (0.00) |
| 2010 | 30,783.0 | 368,369,974 | 11,967 | 0.04 | 17,514,358 | 569 | (3.56) |
| 2011 | 30,953.9 | 377,071,229 | 12,282 | 0.03 | 16,914,145 | 546 | (0.04) |
| 2012 | 31,546.3 | 383,099,908 | 12,144 | 0.01 | 17,509,877 | 555 | (0.02) |
| 2013 | 32,062.1 | 386,110,699 | 12,043 | 0.01 | 19,492,031 | 608 | 0.07 |
| 2014 | 32,413.2 | 412,187,728 | 12,717 | 0.06 | 20,740,564 | 640 | 0.12 |

| Fiscal Year | Teaching Staff | Percentage of Students Receiving Free or Reduced-Priced Meals |
|-------------|----------------|---|
| 2005 | 2,364.4 | 52 |
| 2006 | 2,715.3 | 56 |
| 2007 | 2,771.8 | 57 |
| 2008 | 2,844.9 | 62 |
| 2009 | 2,819.1 | 64 |
| 2010 | 2,766.0 | 65 |
| 2011 | 2,667.0 | 67 |
| 2012 | 2,690.7 | 66 |
| 2013 | 2,687.2 | 68 |
| 2014 | 2,772.7 | 69 |

Source: District Records

Note: Operating expenditures represent governmental activity expenditures less interest on long-term debt

This Page Intentionally Left Blank

Des Moines Independent Community School District

**School Building Information
Last Ten Fiscal Years
(Unaudited)**

| School | Fiscal Year | | | |
|--------------------|---------------------|---------------------|---------------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Elementary: | | | | |
| Name (Year) | Adams | Adams | Adams | |
| Square feet | 49,995 | 49,995 | 49,995 | |
| Capacity | 420 | 420 | 420 | |
| Enrollment | 336 | 337 | 294 | |
| Name (Year) | Brubaker | Brubaker | Brubaker | Brubaker |
| Square feet | 78,224 | 78,224 | 78,224 | 78,224 |
| Capacity | 720 | 720 | 720 | 720 |
| Enrollment | 664 | 655 | 717 | 715 |
| Name (Year) | Capital View | Capital View | Capital View | Capital View |
| Square feet | 76,525 | 76,525 | 76,525 | 75,740 |
| Capacity | 710 | 710 | 710 | 710 |
| Enrollment | 632 | 620 | 619 | 630 |
| Name (Year) | Carver | Carver | Carver | Carver |
| Square feet | - | - | - | 93,627 |
| Capacity | - | - | - | 690 |
| Enrollment | - | - | - | 647 |
| Name (Year) | Cattell | Cattell | Cattell | Cattell |
| Square feet | 47,821 | 47,821 | 47,821 | 47,821 |
| Capacity | 460 | 460 | 460 | 460 |
| Enrollment | 354 | 331 | 339 | 354 |
| Name (Year) | Cowles | Cowles | Cowles | Cowles |
| Square feet | 42,800 | 42,800 | 42,800 | 42,800 |
| Capacity | 380 | 380 | 380 | 380 |
| Enrollment | 154 | 194 | 224 | 290 |
| Name (Year) | Downtown | Downtown | Downtown | Downtown |
| Square feet | 32,767 | 32,767 | 32,767 | 32,767 |
| Capacity | 270 | 270 | 270 | 270 |
| Enrollment | 268 | 264 | 272 | 268 |
| Name (Year) | Edmunds | Edmunds | Edmunds | Edmunds |
| Square feet | 45,930 | 45,930 | 45,930 | 45,930 |
| Capacity | 320 | 320 | 320 | 320 |
| Enrollment | 196 | 148 | 143 | 175 |
| Name (Year) | Findley | Findley | Findley | Findley |
| Square feet | 38,354 | 38,354 | 38,354 | 38,354 |
| Capacity | 380 | 380 | 380 | 380 |
| Enrollment | 302 | 296 | 310 | 358 |
| Name (Year) | Garton | Garton | Garton | Garton |
| Square feet | 43,290 | 43,290 | 43,290 | 65,648 |
| Capacity | 500 | 500 | 500 | 460 |
| Enrollment | 343 | 330 | 343 | 602 |

(Continued)

| | | Fiscal Year | | | | | |
|---------------------|---------------------|-------------|--------|--------|--------|--------|--------|
| | | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Brubaker | Brubaker | | | | | | |
| | | 78,224 | 78,224 | 78,224 | 78,224 | 78,224 | 78,224 |
| | | 792 | 792 | 792 | 792 | 792 | 816 |
| | | 684 | 680 | 661 | 694 | 672 | 642 |
| Capital View | Capital View | | | | | | |
| | | 75,740 | 75,740 | 75,740 | 75,740 | 75,740 | 75,740 |
| | | 720 | 720 | 720 | 720 | 720 | 720 |
| | | 541 | 551 | 518 | 483 | 539 | 534 |
| Carver | Carver | | | | | | |
| | | 91,500 | 91,500 | 91,500 | 91,500 | 91,500 | 91,500 |
| | | 720 | 720 | 720 | 720 | 720 | 720 |
| | | 560 | 606 | 558 | 557 | 611 | 626 |
| Cattell | Cattell | | | | | | |
| | | 47,821 | 47,821 | 47,821 | 47,821 | 47,821 | 47,821 |
| | | 408 | 408 | 408 | 408 | 408 | 408 |
| | | 400 | 393 | 405 | 393 | 408 | 411 |
| Cowles | Cowles | | | | | | |
| | | 42,800 | 42,800 | 42,800 | 42,800 | 42,800 | 42,800 |
| | | 432 | 432 | 432 | 432 | 432 | 456 |
| | | 299 | 319 | 261 | 284 | 348 | 361 |
| Downtown | Downtown | | | | | | |
| | | 32,767 | 34,966 | 34,966 | 34,966 | 38,125 | 38,125 |
| | | 264 | 264 | 264 | 264 | 312 | 312 |
| | | 258 | 293 | 285 | 278 | 274 | 263 |
| Edmunds | Edmunds | | | | | | |
| | | 45,930 | 45,930 | 45,930 | 45,930 | 76,385 | 76,385 |
| | | 240 | 240 | 240 | 240 | 576 | 576 |
| | | 180 | 211 | 171 | 274 | 287 | 409 |
| Findley | Findley | | | | | | |
| | | 38,354 | 38,354 | 38,354 | 38,354 | 43,548 | 43,548 |
| | | 384 | 384 | 384 | 384 | 384 | 384 |
| | | 345 | 323 | 273 | 292 | 314 | 320 |
| Garton | Garton | | | | | | |
| | | 65,648 | 65,648 | 65,648 | 65,648 | 65,648 | 65,648 |
| | | 720 | 720 | 720 | 720 | 720 | 720 |
| | | 619 | 596 | 596 | 522 | 564 | 595 |

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

| School | Fiscal Year | | | |
|--------------------|-------------------|-------------------|-------------------------|------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Elementary: | | | | |
| Name (Year) | Granger | Granger | Granger/Mitchell | |
| Square feet | 39,194 | 39,194 | 39,194 | |
| Capacity | 525 | 525 | 525 | |
| Enrollment | 351 | 335 | 550 | |
| Name (Year) | Greenwood | Greenwood | Greenwood | Greenwood |
| Square feet | 58,804 | 58,804 | 58,804 | 61,744 |
| Capacity | 450 | 450 | 450 | 450 |
| Enrollment | 444 | 454 | 420 | 454 |
| Name (Year) | Hanawalt | Hanawalt | Hanawalt | Hanawalt |
| Square feet | 43,246 | 43,246 | 43,246 | 43,246 |
| Capacity | 410 | 410 | 410 | 410 |
| Enrollment | 349 | 338 | 359 | 418 |
| Name (Year) | Hillis | Hillis | Hillis | Hillis |
| Square feet | 44,825 | 44,825 | 44,825 | 44,825 |
| Capacity | 410 | 410 | 410 | 410 |
| Enrollment | 392 | 399 | 390 | 468 |
| Name (Year) | Howe | Howe | Howe | Howe |
| Square feet | 38,505 | 38,505 | 38,505 | 38,505 |
| Capacity | 320 | 320 | 320 | 320 |
| Enrollment | 252 | 213 | 229 | 340 |
| Name (Year) | Hubbell | Hubbell | Hubbell | Hubbell |
| Square feet | 48,072 | 48,072 | 48,072 | 53,327 |
| Capacity | 390 | 390 | 390 | 390 |
| Enrollment | 294 | 309 | 347 | 402 |
| Name (Year) | Jackson | Jackson | Jackson | Jackson |
| Square feet | 35,872 | 35,872 | 35,872 | 35,872 |
| Capacity | 420 | 420 | 420 | 420 |
| Enrollment | 407 | 426 | 397 | 402 |
| Name (Year) | Jefferson | Jefferson | Jefferson | Jefferson |
| Square feet | 42,750 | 42,750 | 42,750 | 42,750 |
| Capacity | 480 | 480 | 480 | 480 |
| Enrollment | 432 | 423 | 424 | 421 |
| Name (Year) | King | King | King | King |
| Square feet | 51,414 | 51,414 | 51,414 | 51,414 |
| Capacity | 330 | 330 | 330 | 330 |
| Enrollment | 378 | 372 | 352 | 347 |
| Name (Year) | Longfellow | Longfellow | Longfellow | |
| Square feet | 31,420 | 31,420 | 31,420 | |
| Capacity | 300 | 300 | 300 | |
| Enrollment | 236 | 206 | 184 | |
| Name (Year) | Lovejoy | Lovejoy | Lovejoy | Lovejoy |
| Square feet | 31,806 | 31,806 | 31,806 | 31,806 |
| Capacity | 310 | 310 | 310 | 310 |
| Enrollment | 373 | 315 | 323 | 272 |

(Continued)

| | | Fiscal Year | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Greenwood | Greenwood | Greenwood | Greenwood | Greenwood | Greenwood | Greenwood | Greenwood |
| | 61,744 | 61,744 | 61,744 | 61,744 | 61,744 | 61,744 | 61,744 |
| | 456 | 456 | 456 | 456 | 456 | 456 | 456 |
| | 453 | 450 | 412 | 413 | 446 | 446 | 414 |
| Hanawalt | Hanawalt | Hanawalt | Hanawalt | Hanawalt | Hanawalt | Hanawalt | Hanawalt |
| | 43,246 | 43,246 | 43,246 | 43,246 | 43,246 | 43,246 | 43,246 |
| | 408 | 408 | 408 | 408 | 408 | 408 | 408 |
| | 416 | 365 | 358 | 345 | 352 | 352 | 376 |
| Hillis | Hillis | Hillis | Hillis | Hillis | Hillis | Hillis | Hillis |
| | 57,720 | 57,720 | 57,720 | 57,720 | 57,720 | 57,720 | 57,720 |
| | 420 | 600 | 600 | 600 | 600 | 600 | 600 |
| | 460 | 471 | 431 | 425 | 483 | 483 | 507 |
| Howe | Howe | Howe | Howe | Howe | Howe | Howe | Howe |
| | 38,505 | 38,505 | 38,505 | 38,505 | 38,505 | 38,505 | 38,505 |
| | 312 | 312 | 312 | 312 | 312 | 312 | 312 |
| | 300 | 307 | 304 | 276 | 297 | 297 | 282 |
| Hubbell | Hubbell | Hubbell | Hubbell | Hubbell | Hubbell | Hubbell | Hubbell |
| | 53,327 | 53,327 | 53,327 | 53,327 | 53,327 | 53,327 | 53,327 |
| | 456 | 456 | 456 | 456 | 456 | 456 | 456 |
| | 390 | 394 | 405 | 435 | 455 | 455 | 447 |
| Jackson | Jackson | Jackson | Jackson | Jackson | Jackson | Jackson | Jackson |
| | 35,872 | 45,585 | 45,585 | 45,585 | 45,585 | 45,585 | 45,585 |
| | 432 | 456 | 456 | 456 | 456 | 456 | 456 |
| | 385 | 345 | 403 | 395 | 413 | 413 | 418 |
| Jefferson | Jefferson | Jefferson | Jefferson | Jefferson | Jefferson | Jefferson | Jefferson |
| | 42,750 | 42,750 | 42,750 | 42,750 | 42,750 | 45,830 | 45,830 |
| | 408 | 408 | 408 | 408 | 408 | 408 | 408 |
| | 426 | 432 | 426 | 433 | 434 | 434 | 430 |
| King | King | King | King | King | King | King | King |
| | 54,171 | 54,171 | 54,171 | 54,171 | 54,171 | 54,171 | 54,171 |
| | 408 | 408 | 408 | 408 | 408 | 408 | 408 |
| | 282 | 318 | 344 | 335 | 335 | 335 | 362 |
| Lovejoy | Lovejoy | Lovejoy | Lovejoy | Lovejoy | Lovejoy | Lovejoy | Lovejoy |
| | 31,806 | 31,806 | 31,806 | 31,806 | 31,806 | 39,154 | 39,154 |
| | 288 | 288 | 288 | 288 | 288 | 456 | 456 |
| | 357 | 366 | 322 | 333 | 332 | 332 | 349 |

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

| School | Fiscal Year | | | |
|--------------------|--------------------|---------------------------|---------------------------|---------------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Elementary: | | | | |
| Name (Year) | Madison | Madison | Madison | Madison |
| Square feet | 42,049 | 42,049 | 42,049 | 42,049 |
| Capacity | 430 | 430 | 430 | 430 |
| Enrollment | 341 | 332 | 314 | 359 |
| Name (Year) | McKinley | McKinley | McKinley | McKinley |
| Square feet | 49,994 | 49,994 | 49,994 | 49,994 |
| Capacity | 380 | 380 | 380 | 380 |
| Enrollment | 305 | 304 | 337 | 363 |
| Name (Year) | Mitchell | Mitchell - Bridges | Mitchell - Bridges | Mitchell - Bridges |
| Square feet | 31,682 | 31,682 | 31,682 | 31,682 |
| Capacity | 350 | 350 | 350 | 350 |
| Enrollment | 251 | 114 | 118 | 135 |
| Name (Year) | Monroe | Monroe | Monroe | Monroe |
| Square feet | 73,997 | 73,997 | 73,997 | 73,997 |
| Capacity | 660 | 660 | 660 | 660 |
| Enrollment | 516 | 492 | 526 | 533 |
| Name (Year) | Moore | Moore | Moore | |
| Square feet | 45,334 | 45,334 | 45,334 | |
| Capacity | 440 | 440 | 440 | |
| Enrollment | 322 | 320 | 287 | |
| Name (Year) | Morris | Morris | Morris | Morris |
| Square feet | 74,684 | 74,684 | 74,684 | 70,656 |
| Capacity | 700 | 700 | 700 | 700 |
| Enrollment | 586 | 563 | 577 | 583 |
| Name (Year) | Moulton | Moulton | Moulton | Moulton |
| Square feet | 121,650 | 121,650 | 121,650 | 121,650 |
| Capacity | 620 | 620 | 620 | 620 |
| Enrollment | 444 | 528 | 514 | 460 |
| Name (Year) | Oak Park | Oak Park | Oak Park | Oak Park |
| Square feet | 59,497 | 59,497 | 59,497 | 59,497 |
| Capacity | 380 | 380 | 380 | 380 |
| Enrollment | 331 | 355 | 399 | 405 |
| Name (Year) | Park Avenue | Park Avenue | Park Avenue | Park Avenue |
| Square feet | 59,565 | 59,565 | 59,565 | 59,565 |
| Capacity | 560 | 560 | 560 | 560 |
| Enrollment | 474 | 436 | 423 | 481 |
| Name (Year) | Perkins | Perkins | Perkins | Perkins |
| Square feet | 50,440 | 50,440 | 56,540 | 56,540 |
| Capacity | 440 | 440 | 440 | 420 |
| Enrollment | 361 | 361 | 423 | 453 |
| Name (Year) | Phillips | Phillips | Phillips | Phillips |
| Square feet | 41,936 | 41,936 | 41,936 | 41,936 |
| Capacity | 380 | 380 | 380 | 380 |
| Enrollment | 361 | 343 | 344 | 370 |

(Continued)

| | | Fiscal Year | | | | | |
|--------------------|--------------------|-------------|---------|---------|---------|---------|----------------|
| | | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Madison | Madison | | | | | | |
| | | 42,049 | 42,049 | 42,049 | 42,049 | 42,049 | 42,049 |
| | | 408 | 408 | 408 | 408 | 408 | 408 |
| | | 334 | 368 | 316 | 333 | 409 | 377 |
| McKinley | McKinley | | | | | | |
| | | 49,994 | 49,994 | 49,994 | 49,994 | 49,994 | 49,994 |
| | | 360 | 360 | 360 | 360 | 360 | 360 |
| | | 292 | 292 | 316 | 342 | 319 | 331 |
| Mitchell | | 31,682 | | | | | |
| | | 264 | | | | | |
| | | - | | | | | |
| Monroe | Monroe | | | | | | |
| | | 73,997 | 73,997 | 73,997 | 73,997 | 73,997 | 73,997 |
| | | 576 | 576 | 576 | 576 | 576 | 576 |
| | | 523 | 485 | 501 | 495 | 533 | 553 |
| Morris | Morris | | | | | | |
| | | 70,656 | 70,656 | 70,656 | 70,656 | 70,656 | 70,656 |
| | | 744 | 744 | 744 | 744 | 744 | 744 |
| | | 630 | 691 | 602 | 616 | 617 | 612 |
| Moulton | Moulton | | | | | | |
| | | 121,650 | 121,650 | 121,650 | 121,650 | 121,650 | 121,650 |
| | | 744 | 744 | 744 | 744 | 744 | 744 |
| | | 419 | 398 | 366 | 357 | 428 | 474 |
| Oak Park | Oak Park | | | | | | |
| | | 59,497 | 59,497 | 59,497 | 59,497 | 59,497 | 59,497 |
| | | 408 | 408 | 408 | 408 | 408 | 408 |
| | | 403 | 410 | 403 | 407 | 399 | 396 |
| Park Avenue | Park Avenue | | | | | | |
| | | 59,565 | 59,565 | 59,565 | 59,565 | 64,925 | 64,925 |
| | | 552 | 552 | 552 | 552 | 552 | 552 |
| | | 482 | 502 | 457 | 465 | 472 | 472 |
| Perkins | Perkins | | | | | | |
| | | 56,540 | 56,540 | 56,540 | 56,540 | 56,540 | 56,540 |
| | | 432 | 432 | 432 | 432 | 432 | 432 |
| | | 460 | 438 | 461 | 436 | 438 | 441 |
| Phillips | Phillips | | | | | | |
| | | 41,936 | 41,936 | 41,936 | 41,936 | 41,936 | 41,936 |
| | | 336 | 336 | 336 | 336 | 336 | 336 |
| | | 379 | 394 | 359 | 362 | 404 | 407 |

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

| School | Fiscal Year | | | |
|--------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Elementary: | | | | |
| Name (Year) | Pleasant Hill | Pleasant Hill | Pleasant Hill | Pleasant Hill |
| Square feet | 36,161 | 36,161 | 36,161 | 36,161 |
| Capacity | 310 | 310 | 310 | 310 |
| Enrollment | 303 | 316 | 328 | 347 |
| Name (Year) | River Woods | River Woods | River Woods | River Woods |
| Square feet | 58,126 | 58,126 | 58,126 | 58,126 |
| Capacity | 500 | 500 | 500 | 500 |
| Enrollment | 537 | 546 | 518 | 491 |
| Name (Year) | Samuelson(@Woodlawn) | Samuelson(@Woodlawn) | Samuelson(@Woodlawn) | Samuelson(@Woodlawn) |
| Square feet | 46,548 | 46,548 | 46,548 | 46,548 |
| Capacity | 450 | 450 | 450 | 450 |
| Enrollment | 378 | 417 | 394 | 534 |
| Name (Year) | South Union | South Union | South Union | South Union |
| Square feet | - | - | 68,508 | 68,508 |
| Capacity | - | - | 630 | 630 |
| Enrollment | - | - | 553 | 572 |
| Name (Year) | Stowe | Stowe | Stowe | Stowe |
| Square feet | 36,000 | 36,000 | 36,000 | 36,000 |
| Capacity | 400 | 400 | 400 | 400 |
| Enrollment | 288 | 294 | 267 | 352 |
| Name (Year) | Stuebaker | Stuebaker | Stuebaker | Stuebaker |
| Square feet | 42,272 | 42,272 | 42,272 | 42,272 |
| Capacity | 420 | 420 | 420 | 420 |
| Enrollment | 429 | 449 | 477 | 461 |
| Name (Year) | Wallace | Wallace | Wallace | Wallace |
| Square feet | 31,960 | 31,960 | 31,960 | 31,960 |
| Capacity | 360 | 360 | 360 | 360 |
| Enrollment | 344 | 348 | 346 | |
| Name (Year) | Walnut Street | Walnut Street | Walnut Street | Walnut Street |
| Square feet | 37,206 | 37,206 | 38,800 | 38,800 |
| Capacity | NA | NA | NA | NA |
| Enrollment | 54 | 93 | 104 | 212 |
| Name (Year) | Willard | Willard | Willard | Willard |
| Square feet | 59,301 | 59,301 | 59,301 | 59,301 |
| Capacity | 560 | 560 | 560 | 560 |
| Enrollment | 364 | 405 | 387 | 427 |
| Name (Year) | Windsor | Windsor | Windsor | Windsor |
| Square feet | 55,510 | 55,510 | 55,510 | 60,475 |
| Capacity | 420 | 420 | 420 | 420 |
| Enrollment | 367 | 341 | 346 | 375 |
| Name (Year) | Wright | Wright | Wright | Wright |
| Square feet | 30,300 | 30,300 | 30,300 | 30,300 |
| Capacity | 310 | 310 | 310 | 310 |
| Enrollment | 283 | 301 | 282 | 284 |

(Continued)

| Fiscal Year | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | |
| Pleasant Hill | Pleasant Hill | Pleasant Hill | Pleasant Hill | Pleasant Hill | Pleasant Hill | Pleasant Hill |
| 36,161 | 36,161 | 36,161 | 36,161 | 36,161 | 41,270 | 41,270 |
| 312 | 312 | 312 | 312 | 312 | 312 | 312 |
| 316 | 310 | 270 | 283 | 312 | 312 | 309 |
| River Woods | River Woods | River Woods | River Woods | River Woods | River Woods | River Woods |
| 58,126 | 58,126 | 58,126 | 58,126 | 58,126 | 59,950 | 58,126 |
| 504 | 504 | 504 | 504 | 504 | 504 | 504 |
| 501 | 530 | 489 | 509 | 509 | 509 | 540 |
| Samuelson | Samuelson | Samuelson | Samuelson | Samuelson | Samuelson | Samuelson |
| 56,586 | 56,586 | 56,586 | 56,586 | 56,586 | 58,678 | 58,678 |
| 504 | 504 | 504 | 504 | 504 | 528 | 528 |
| 467 | 475 | 481 | 514 | 514 | 526 | 515 |
| South Union | South Union | South Union | South Union | South Union | South Union | South Union |
| 68,508 | 68,508 | 68,508 | 68,508 | 68,508 | 68,508 | 68,508 |
| 696 | 696 | 696 | 696 | 696 | 696 | 696 |
| 560 | 533 | 542 | 545 | 578 | 578 | 562 |
| Stowe | Stowe | Stowe | Stowe | Stowe | Stowe | Stowe |
| 56,967 | 56,967 | 56,967 | 56,967 | 56,967 | 56,967 | 56,967 |
| 408 | 408 | 408 | 408 | 408 | 408 | 408 |
| 364 | 408 | 416 | 389 | 362 | 362 | 363 |
| Stuebaker | Stuebaker | Stuebaker | Stuebaker | Stuebaker | Stuebaker | Stuebaker |
| 42,272 | 42,272 | 42,272 | 42,272 | 42,272 | 45,400 | 45,400 |
| 456 | 456 | 456 | 456 | 456 | 504 | 504 |
| 437 | 435 | 454 | 401 | 416 | 416 | 479 |
| Walnut Street | Walnut Street | Walnut Street | Walnut Street | Walnut Street | Walnut Street | Walnut Street |
| 58,212 | 58,212 | 58,212 | 58,212 | 58,212 | 58,212 | 58,212 |
| 384 | 384 | 384 | 384 | 384 | 384 | 414 |
| 248 | 250 | 205 | 281 | 312 | 312 | 278 |
| Willard | Willard | Willard | Willard | Willard | Willard | Willard |
| 59,301 | 59,301 | 59,301 | 59,301 | 59,301 | 59,301 | 59,301 |
| 600 | 600 | 600 | 600 | 600 | 600 | 600 |
| 434 | 437 | 432 | 439 | 426 | 426 | 437 |
| Windsor | Windsor | Windsor | Windsor | Windsor | Windsor | Windsor |
| 60,475 | 60,475 | 60,475 | 60,475 | 60,475 | 60,475 | 60,475 |
| 408 | 408 | 408 | 408 | 408 | 408 | 408 |
| 415 | 400 | 384 | 416 | 425 | 425 | 394 |
| Wright | Wright | Wright | Wright | Wright | Wright | Wright |
| 30,300 | 30,300 | 30,300 | 30,300 | 30,300 | 30,300 | 30,300 |
| 312 | 312 | 312 | 312 | 312 | 312 | 288 |
| 273 | 252 | 273 | 248 | 271 | 271 | 258 |

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

| School | Fiscal Year | | | |
|--------------------|-----------------|-----------------|-----------------|-----------------|
| | 2005 | 2006 | 2007 | 2008 |
| Middle: | | | | |
| Name (Year) | Brody | Brody | Brody | Brody |
| Square feet | 90,500 | 90,500 | 90,500 | 90,500 |
| Capacity | 650 | 650 | 650 | 650 |
| Enrollment | 673 | 646 | 709 | 738 |
| Name (Year) | Callanan | Callanan | Callanan | Callanan |
| Square feet | 116,037 | 116,037 | 116,037 | 116,037 |
| Capacity | 700 | 700 | 700 | 700 |
| Enrollment | 603 | 644 | 621 | 591 |
| Name (Year) | Goodrell | Goodrell | Goodrell | Goodrell |
| Square feet | 102,230 | 102,230 | 102,230 | 110,495 |
| Capacity | 700 | 700 | 700 | 700 |
| Enrollment | 644 | 674 | 631 | 611 |
| Name (Year) | Harding | Harding | Harding | Harding |
| Square feet | 125,339 | 125,339 | 125,339 | 125,339 |
| Capacity | 840 | 840 | 840 | 840 |
| Enrollment | 689 | 589 | 562 | 530 |
| Name (Year) | Hiatt | Hiatt | Hiatt | Hiatt |
| Square feet | 103,060 | 103,060 | 103,060 | 103,060 |
| Capacity | 800 | 800 | 800 | 800 |
| Enrollment | 567 | 495 | 465 | 484 |
| Name (Year) | Hoyt | Hoyt | Hoyt | Hoyt |
| Square feet | 99,874 | 99,874 | 99,874 | 99,874 |
| Capacity | 750 | 750 | 750 | 750 |
| Enrollment | 658 | 632 | 625 | 590 |
| Name (Year) | McCombs | McCombs | McCombs | McCombs |
| Square feet | 78,978 | 78,978 | 78,978 | 78,978 |
| Capacity | 650 | 650 | 650 | 650 |
| Enrollment | 667 | 628 | 611 | 589 |
| Name (Year) | Meredith | Meredith | Meredith | Meredith |
| Square feet | 107,316 | 107,316 | 107,316 | 107,316 |
| Capacity | 850 | 850 | 850 | 850 |
| Enrollment | 769 | 745 | 676 | 654 |
| Name (Year) | Merrill | Merrill | Merrill | Merrill |
| Square feet | 89,500 | 89,500 | 89,500 | 89,500 |
| Capacity | 650 | 650 | 650 | 650 |
| Enrollment | 633 | 620 | 627 | 608 |
| Name (Year) | Weeks | Weeks | Weeks | Weeks |
| Square feet | 118,770 | 118,770 | 118,770 | 112,390 |
| Capacity | 900 | 900 | 900 | 900 |
| Enrollment | 813 | 789 | 728 | 754 |

(Continued)

| Fiscal Year | | | | | | | |
|-----------------|-----------------|-----------------|-----------------|----------|-----------------|-----------------|--|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | | |
| Brody | Brody | Brody | Brody | Brody | Brody | Brody | |
| 90,500 | 90,500 | 90,500 | 90,500 | 90,500 | 90,500 | 98,082 | |
| 637 | 637 | 637 | 637 | 637 | 871 | 871 | |
| 720 | 688 | 689 | 680 | 702 | | 744 | |
| Callanan | Callanan | Callanan | Callanan | Callanan | Callanan | Callanan | |
| 116,037 | 116,037 | 116,037 | 116,037 | 116,037 | 116,037 | 116,037 | |
| 828 | 828 | 828 | 828 | 828 | 828 | 828 | |
| 612 | 604 | 607 | 643 | 626 | | 620 | |
| Goodrell | Goodrell | Goodrell | Goodrell | Goodrell | Goodrell | Goodrell | |
| 110,495 | 110,495 | 110,495 | 110,495 | 110,495 | 110,495 | 110,495 | |
| 871 | 871 | 871 | 871 | 871 | 871 | 871 | |
| 591 | 614 | 608 | 594 | 591 | | 619 | |
| Harding | Harding | Harding | Harding | Harding | Harding | Harding | |
| 125,339 | 125,339 | 125,339 | 125,339 | 125,339 | 125,339 | 125,339 | |
| 828 | 828 | 828 | 828 | 828 | 828 | 850 | |
| 557 | 581 | 556 | 534 | 619 | | 700 | |
| Hiatt | Hiatt | Hiatt | Hiatt | Hiatt | Hiatt | Hiatt | |
| 103,060 | 103,060 | 103,060 | 103,060 | 103,060 | 103,060 | 109,879 | |
| 743 | 743 | 743 | 743 | 743 | 850 | 850 | |
| 504 | 533 | 579 | 609 | 634 | | 626 | |
| Hoyt | Hoyt | Hoyt | Hoyt | Hoyt | Hoyt | Hoyt | |
| 99,874 | 99,874 | 99,874 | 99,874 | 99,874 | 99,874 | 100,691 | |
| 850 | 850 | 850 | 850 | 850 | 850 | 893 | |
| 608 | 594 | 580 | 533 | 518 | | 488 | |
| McCombs | McCombs | McCombs | McCombs | McCombs | McCombs | McCombs | |
| 78,978 | 78,978 | 78,978 | 78,978 | 78,978 | 78,978 | 88,258 | |
| 701 | 701 | 701 | 701 | 701 | 807 | 807 | |
| 582 | 594 | 626 | 591 | 664 | | 657 | |
| Meredith | Meredith | Meredith | Meredith | Meredith | Meredith | Meredith | |
| 107,316 | 107,316 | 107,316 | 107,316 | 107,316 | 107,316 | 107,316 | |
| 871 | 871 | 871 | 871 | 891 | 891 | 891 | |
| 645 | 638 | 607 | 687 | 666 | | 715 | |
| Merrill | Merrill | Merrill | Merrill | Merrill | Merrill | Merrill | |
| 89,500 | 89,500 | 89,500 | 89,500 | 89,500 | 89,500 | 94,162 | |
| 658 | 658 | 658 | 658 | 658 | 658 | 658 | |
| 592 | 615 | 623 | 671 | 658 | | 705 | |
| Weeks | Weeks | Weeks | Weeks | Weeks | Weeks | Weeks | |
| 112,390 | 112,390 | 112,390 | 112,390 | 112,390 | 112,390 | 112,390 | |
| 1,041 | 1,041 | 1,041 | 1,041 | 1,041 | 1,041 | 1,041 | |
| 757 | 749 | 677 | 675 | 689 | | 633 | |

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

| School | Fiscal Year | | | |
|--------------------|------------------|------------------|------------------|------------------|
| | 2005 | 2006 | 2007 | 2008 |
| High: | | | | |
| Name (Year) | East | East | East | East |
| Square feet | 355,293 | 355,293 | 355,293 | 344,376 |
| Capacity | 2,100 | 2,100 | 2,100 | 2,100 |
| Enrollment | 2,125 | 2,115 | 2,191 | 2,216 |
| Name (Year) | Hoover | Hoover | Hoover | Hoover |
| Square feet | 183,400 | 183,400 | 183,400 | 183,400 |
| Capacity | 1,175 | 1,175 | 1,175 | 1,175 |
| Enrollment | 1,210 | 1,212 | 1,188 | 1,174 |
| Name (Year) | Lincoln | Lincoln | Lincoln | Lincoln |
| Square feet | 269,905 | 269,905 | 269,905 | 312,628 |
| Capacity | 1,800 | 1,800 | 1,900 | 1,800 |
| Enrollment | 2,157 | 2,126 | 2,175 | 2,203 |
| Name (Year) | Kurtz | Kurtz | Kurtz | Kurtz |
| Square feet | 106,264 | 106,264 | 106,264 | 106,264 |
| Capacity | 730 | 730 | 730 | 730 |
| Enrollment | | | | |
| Name (Year) | North | North | North | North |
| Square feet | 220,960 | 220,960 | 220,960 | 220,960 |
| Capacity | 1,150 | 1,150 | 1,150 | 1,150 |
| Enrollment | 1,186 | 1,156 | 1,132 | 1,139 |
| Name (Year) | Roosevelt | Roosevelt | Roosevelt | Roosevelt |
| Square feet | 282,050 | 282,050 | 282,050 | 282,050 |
| Capacity | 1,550 | 1,550 | 1,550 | 1,550 |
| Enrollment | 1,636 | 1,591 | 1,622 | 1,671 |

(Continued)

| | | | | | | | | Fiscal Year | |
|------------------|------------------|------------------|------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | | |
| East | East | East | East | East | East | East | East | East | East |
| | 344,376 | 344,376 | 344,376 | 344,376 | 344,376 | 344,376 | 344,376 | 344,376 | |
| | 2,337 | 2,337 | 2,337 | 2,337 | 2,337 | 2,337 | 2,337 | 2,337 | |
| | 2,160 | 2,224 | 2,266 | 2,230 | 2,288 | 2,291 | | | |
| Hoover | Hoover | Hoover | Hoover | Hoover | Hoover | Hoover | Hoover | Hoover | Hoover |
| | 183,400 | 183,400 | 183,400 | 183,400 | 183,400 | 183,400 | 183,400 | 191,700 | |
| | 1,083 | 1,083 | 1,083 | 1,105 | 1,105 | 1,105 | 1,105 | 1,105 | |
| | 1,115 | 1,130 | 1,075 | 1,065 | 1,028 | 966 | | | |
| Lincoln | Lincoln | Lincoln | Lincoln | Lincoln | Lincoln | Lincoln | Lincoln | Lincoln | Lincoln |
| | 312,628 | 312,628 | 312,628 | 312,628 | 312,628 | 312,628 | 312,628 | 312,628 | |
| | 1,848 | 1,848 | 1,848 | 1,848 | 1,848 | 1,848 | 1,848 | 1,848 | |
| | 2,181 | 2,262 | 2,252 | 2,218 | 2,144 | 2,185 | | | |
| Kurtz | Kurtz | Kurtz | Kurtz | Kurtz(Lincoln 9th Grade) | Kurtz(Lincoln 9th Grade) | Kurtz(Lincoln 9th Grade) | Kurtz(Lincoln 9th Grade) | Kurtz(Lincoln 9th Grade) | Kurtz(Lincoln 9th Grade) |
| | 106,264 | 106,264 | 106,264 | 106,264 | 106,498 | 106,264 | 106,498 | 106,264 | |
| | 637 | 637 | 637 | 637 | 637 | 637 | 637 | 637 | |
| | | | | | % | % | % | % | |
| North | North | North | North | North | North | North | North | North | North |
| | 220,960 | 220,960 | 220,960 | 220,960 | 220,960 | 220,960 | 220,960 | 249,639 | |
| | 1,147 | 1,147 | 1,147 | 1,147 | 1,253 | 1,253 | 1,253 | 1,253 | |
| | 1,133 | 1,170 | 1,133 | 1,121 | 1,182 | 1,251 | | | |
| Roosevelt | Roosevelt | Roosevelt | Roosevelt | Roosevelt | Roosevelt | Roosevelt | Roosevelt | Roosevelt | Roosevelt |
| | 282,050 | 239,117 | 239,117 | 239,117 | 239,117 | 239,117 | 239,117 | 239,117 | |
| | 1,145 | 1,678 | 1,678 | 1,785 | 1,785 | 1,785 | 1,785 | 1,785 | |
| | 1,654 | 1,654 | 1,628 | 1,659 | 1,658 | 1,708 | | | |

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

| School | Fiscal Year | | | |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Special Schools: | | | | |
| Name (Year) | Central Campus | Central Campus | Central Campus | Central Campus |
| Square feet | 456,660 | 456,660 | 456,660 | 456,660 |
| Capacity | 1,500 | 1,500 | 1,500 | 1,500 |
| Enrollment | \$ | \$ | \$ | \$ |
| Name (Year) | | | | Central Academy \$ |
| Square feet | | | | 86,426 |
| Capacity | | | | 658 |
| Enrollment | | | | \$ |
| Name (Year) | Scavo @ Central Campus | Scavo @ Central Campus | Scavo @ Central Campus | Scavo @ Central Campus |
| Square feet | ----- | ----- | ----- | see Central Campus |
| Capacity | ----- | ----- | ----- | see Central Campus |
| Enrollment | N/A | N/A | 287 | 394 |
| Name (Year) | Smouse | Smouse | Smouse | Smouse **** |
| Square feet | 53,809 | 53,809 | 53,809 | 53,809 |
| Capacity | NA | NA | NA | NA |
| Enrollment | 108 | 119 | 123 | 121 |
| Name (Year) | Van Meter | Van Meter | Van Meter | Van Meter **** |
| Square feet | 56,460 | 56,460 | 56,460 | 56,460 |
| Capacity | NA | NA | NA | NA |
| Enrollment | 231 | 218 | 211 | 192 |

(Continued)

| Fiscal Year | | | | | | |
|-------------------------------|-------------------------------|---------------------------|---------------------------|--------------------|---------------------------|----------------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | |
| Central Campus | Central Campus | Central Campus | Central Campus | Central Campus | Central Campus | |
| 456,660 | 456,660 | 456,660 | 456,660 | 456,660 | 456,660 | 456,660 |
| 1,615 | 1,615 | 1,615 | 1,615 | 1,530 | 1,328 | 1,328 |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Central Academy \$ | Central Academy \$ | Central Academy \$ | Central Academy \$ | Central Academy \$ | Central Academy \$ | |
| 86,426 | 86,426 | 86,426 | 86,426 | 86,426 | 86,426 | 86,426 |
| 658 | 658 | 658 | 658 | 658 | 658 | 658 |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Scavo @ Central Campus | Scavo @ Central Campus | Scavo @ Moore | Scavo @ Moore | Scavo @ Moore | Scavo @ Moore | |
| ----- | ----- | 45,334 | 45,334 | 45,334 | 45,334 | |
| ----- | ----- | 504 | 504 | 504 | 504 | |
| 399 | 301 | 266 | 272 | 304 | 265 | |
| Smouse **** | Smouse | Smouse | Smouse | Smouse | Smouse | |
| 53,809 | 53,809 | 53,809 | 53,809 | 53,809 | 53,809 | 53,809 |
| NA | 384 | 384 | 384 | 384 | 384 | 384 |
| 136 | 137 | 110 | 100 | 128 | 110 | |
| Van Meter **** | Van Meter **** | Van Meter **** | Van Meter **** | Van Meter **** | Van Meter **** | |
| 56,460 | 56,460 | 56,460 | 56,460 | 56,460 | 56,460 | 56,460 |
| NA | 403 | 403 | 403 | 403 | 403 | 403 |
| 189 | 170 | 168 | 174 | 170 | 163 | |

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

| School | Fiscal Year | | | |
|--------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Other: | | | | |
| Name (Year) | Casady | Casady | Casady | Casady |
| Square feet | 43,709 | 43,709 | 43,709 | 43,709 |
| Name (Year) | Central Campus Ag Lab | Central Campus Ag Lab | Central Campus Ag Lab | Central Campus Ag Lab |
| Square feet | 12,500 | 12,500 | 12,500 | 12,500 |
| Name (Year) | Central Nutrition Center | Central Nutrition Center | Central Nutrition Center | Central Nutrition Center |
| Square feet | 56,186 | 56,186 | 56,186 | 56,186 |
| Name (Year) | Walker Street | Walker Street | Walker Street | Walker Street % |
| Square feet | 33,481 | 33,481 | 33,481 | 33,481 |
| Name (Year) | Operations Center | Operations Center | Operations Center | Operations Center |
| Square feet | - | - | - | - |
| Name (Year) | McKee | McKee | McKee | McKee |
| Square feet | 43,400 | 43,400 | 43,400 | 43,400 |
| Name (Year) | | | | |
| Square feet | | | | |
| Name (Year) | Mann | Mann | Mann | Mann |
| Square feet | 32,490 | 32,490 | 32,490 | 32,490 |
| Name (Year) | MSSV-1915 Prospect | MSSV-1915 Prospect | MSSV-1915 Prospect | MSSV-1915 Prospect |
| Square feet | 52,573 | 52,573 | 52,573 | 52,573 |
| Name (Year) | Walnut St Admin | Walnut St Admin | Walnut St Admin | Walnut St Admin |
| Square feet | - | - | 77,600 | 77,600 |
| Name (Year) | | | | |
| Square feet | | | | |
| Name (Year) | Welcome Center | Welcome Center | Welcome Center | Welcome Center |
| Square feet | 6,200 | 6,200 | 6,200 | 6,200 |

Source: District records.

**** Special needs schools do not have an "ideal capacity". It depends on the needs of the children that are attending and may vary year to year.

% Building being used to house the 9th graders. The enrollment is rolled into high school total.

\$ Magnet schools, students who attend are included with enrollment totals at home Middle or High Schools.

Revised in 2014 to better match District schedules. Closed buildings moved to 'other', 'special' schools category broken out.

| Fiscal Year | | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | |
| Casady | Casady | Casady | Casady | Casady | Casady | Jesse Taylor @ Cassady |
| 43,709 | 43,709 | 43,709 | 43,709 | 43,709 | 43,709 | 45,297 |
| Central Campus Ag Lab | Central Campus Ag Lab | Central Campus Ag Lab | Central Campus Ag Lab | Central Campus Ag Lab | Central Campus Ag Lab | Central Campus Ag Lab |
| 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 |
| Central Nutrition Center | Central Nutrition Center | Central Nutrition Center | Central Nutrition Center | Central Nutrition Center | Central Nutrition Center | Central Nutrition Center |
| 56,186 | 56,186 | 56,186 | 56,186 | 56,186 | 56,186 | 56,186 |
| Walker Street % | Walker Street % | Walker Street % | Walker Street % | Walker Street % | Walker Street % | Walker Street % |
| 33,481 | 33,481 | 33,481 | 33,481 | 33,481 | 33,481 | 33,481 |
| Operations Center | Operations Center-Dean | Operations Center-Dean | Operations Center-Dean | Operations Center-Dean | Operations Center-Dean | Operations Center-Dean |
| - | 97,404 | 97,404 | 97,404 | 97,404 | 97,404 | 97,404 |
| McKee | McKee | McKee | McKee | McKee | McKee | McKee |
| 43,400 | 43,400 | 43,400 | 43,400 | 43,400 | 43,400 | 43,400 |
| | Mitchell | Mitchell | Mitchell | Mitchell | Mitchell | Mitchell |
| | 31,682 | 31,682 | 31,682 | 31,682 | 31,682 | 31,682 |
| Mann | Mann | Mann | Mann | Mann | Mann | Mann |
| 32,490 | 32,490 | 32,490 | 32,490 | 32,490 | 32,490 | 32,490 |
| MSSV-1915 Prospect | MSSV-1915 Prospect | MSSV-1915 Prospect | MSSV-1915 Prospect | 1915 Prospect | 1915 Prospect | 1915 Prospect |
| 52,573 | 52,573 | 52,573 | 52,573 | 52,573 | 52,573 | 52,573 |
| Walnut St Admin | Walnut St Admin | Walnut St Admin | Walnut St Admin | Walnut St Admin | Walnut St Admin | Walnut St Admin |
| 58,212 | 58,212 | 58,212 | 58,212 | 58,212 | 58,212 | 58,212 |
| | | | | Woodlawn Education Ctr | Woodlawn Education Ctr | Woodlawn Education Ctr |
| | | | | 46,548 | 46,548 | 46,548 |
| Welcome Center | Welcome Center | Welcome Center | Welcome Center | Welcome Center | Welcome Center | Welcome Center |
| 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 | 6,200 |

Des Moines Independent Community School District

Capital Asset Information

Last Ten Fiscal Years

(Unaudited)

| Schools: | Fiscal Year | | | |
|---|------------------|------------------|------------------|------------------|
| | 2005 | 2006 | 2007 | 2008 |
| Elementary: | | | | |
| Buildings | 46 | 45 | 45 | 46 |
| Square feet | 2,176,882 | 2,145,462 | 2,229,859 | 2,365,082 |
| Capacity | 19,200 | 18,900 | 19,055 | 19,791 |
| Enrollment | 14,786 | 14,927 | 15,012 | 15,881 |
| Middle: | | | | |
| Buildings | 12 | 12 | 12 | 12 |
| Square feet | 1,194,328 | 1,194,328 | 1,194,328 | 1,196,213 |
| Capacity | 8,220 | 8,220 | 8,220 | 8,220 |
| Enrollment | 6,947 | 6,680 | 6,466 | 6,341 |
| High: | | | | |
| Buildings | 6 | 6 | 6 | 7 |
| Square feet | 1,768,268 | 1,768,268 | 1,768,268 | 1,886,500 |
| Capacity | 9,275 | 9,275 | 9,375 | 9,275 |
| Enrollment | 10,857 | 10,699 | 10,895 | 11,038 |
| Special Schools: | | | | |
| Buildings | | | | |
| Square feet | | | | |
| Capacity | | | | |
| Enrollment | | | | |
| Other: | | | | |
| Buildings | 5 | 5 | 6 | 6 |
| Square feet | 214,397 | 214,397 | 214,397 | 214,397 |
| Total District Sq Ft (less modulars) | 5,353,875 | 5,322,455 | 5,406,852 | 5,662,192 |
| Transportation: | | | | |
| Garages | 1 | 1 | 1 | 1 |
| Buses | 138 | 139 | 138 | 131 |
| Athletics: | | | | |
| Football fields | 5 | 5 | 5 | 5 |
| Soccer fields | - | - | - | - |
| Running tracks | 6 | 6 | 6 | 6 |
| Baseball/softball | 10 | 10 | 10 | 10 |
| Swimming pools | 8 | 8 | 8 | 8 |
| Playgrounds | 46 | 45 | 45 | 46 |

Revised in 2014 to better match District schedules. Closed buildings moved to 'other', 'special' schools category broken out.

Scavo, Ruby Van Meter, Smouse enrollments only; Central Campus and Central Academy enrollments are included with students' home middle or high school.

Source: District records.

| Fiscal Year | | | | | | |
|------------------|------------------|------------------|------------------|------------------|------|------------------|
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | |
| | | | | | # | |
| 46 | 43 | 44 | 44 | 44 | | 36 |
| 2,418,986 | 2,305,821 | 2,335,017 | 2,338,302 | 2,338,302 | | 2,117,554 |
| 20,532 | 20,040 | 19,584 | 19,680 | 19,968 | | 17,840 |
| 15,428 | 15,565 | 15,286 | 15,105 | 15,848 | | 15,944 |
| 12 | 12 | 12 | 12 | 12 | | 10 |
| 1,196,213 | 1,196,213 | 1,196,213 | 1,196,213 | 1,196,213 | | 1,062,649 |
| 8,665 | 9,068 | 9,068 | 9,088 | 9,535 | | 8,560 |
| 6,357 | 6,380 | 6,320 | 6,391 | 6,537 | | 6,507 |
| 7 | 7 | 8 | 8 | 8 | | 6 |
| 1,886,500 | 1,843,567 | 1,888,901 | 1,888,901 | 1,888,901 | | 1,443,724 |
| 9,833 | 10,366 | 10,870 | 11,020 | 10,818 | | 8,965 |
| 8,243 | 8,745 | 11,262 | 8,565 | 8,604 | | 8,401 |
| | | | | | | 5 |
| | | | | | | 698,689 |
| | | | | | | 3,277 |
| | | | | | | 538 |
| 6 | 8 | 7 | 7 | 7 | | 12 |
| 214,397 | 445,095 | 289,553 | 347,765 | 347,765 | | 515,973 |
| 5,716,096 | 5,790,696 | 5,709,684 | 5,771,181 | 5,771,181 | | 5,838,589 |
| 1 | 1 | 1 | 1 | 1 | | 1 |
| 131 | 134 | 135 | 135 | 132 | | 136 |
| 5 | 5 | 5 | 5 | 5 | | 4 |
| - | - | - | - | - | | - |
| 6 | 6 | 6 | 6 | 6 | | 5 |
| 10 | 10 | 10 | 10 | 10 | | 10 |
| 8 | 8 | 8 | 8 | 8 | | 8 |
| 46 | 46 | 44 | 44 | 44 | | 41 |

This Page Intentionally Left Blank

Des Moines Independent Community School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2014

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Federal Expenditures |
|--|------------------------|----------------------------------|-------------------------|
| U.S. Department of Agriculture: | | | |
| (Passed through Iowa Department of Education): | | | |
| School Breakfast Program | 10.553 | 42-6004525 | \$ 3,107,379 |
| National School Lunch Program | 10.555 | 42-6004525 | 9,165,286 |
| NSLP - Fruit and Vegetable Program | 10.555 | 42-6004525 | 510,930 |
| Subtotal | | | 9,676,216 |
| Child and Adult Care Food Program | 10.558 | 42-6004525 | 307,503 |
| Summer Food Service Program for Children | 10.559 | 42-6004525 | 329,913 |
| NSLP - USDA Commodities | 10.550 | 77-1737 | 712,003 |
| NSLP - USDA Commodities | 10.550 | 77-1737 | 254,999 |
| Subtotal | | | 967,002 |
| Team Nutrition | 10.574 | 42-6004525 | 2,118 |
| Healthier US School Challenge | 10.574 | 42-6004525 | 10,000 |
| Subtotal | | | 12,118 |
| (Passed through Iowa Department of Public Health), | | | |
| State Administrative Matching Grants for Food Stamp Program | 10.561 | 42-6004523 | 138,569 |
| Total U.S. Department of Agriculture | | | 14,538,700 |
| U.S. Department of Housing and Urban Development: | | | |
| (Passed through City of Des Moines), | | | |
| Community Development Block Grant (CDBG) | 14.218 | 42-6004514 | 8,000 |
| U.S. Department of Education: | | | |
| (Direct): | | | |
| Smaller Learning Communities - Implementation | 84.215L | 42-6001433 | 99,306 |
| Gaining Early Awareness and Readiness (GEAR UP) | 84.334 | 42-6001433 | 22,377 |
| High School Graduation Initiative | 84.360 | 42-6001433 | 1,014,827 |
| (Passed through Iowa Department of Education): | | | |
| Title I Grants to Local Educational Agencies | 84.010A | 42-6004525 | 8,811,442 |
| Title I School Improvement | 84.377 | 42-6004525 | 1,748,300 |
| Special Education High Cost Fund | 84.027 | 42-6004525 | 38,683 |
| Vocational Education Basic Grants to States | 84.048 | 42-6004525 | 522,110 |
| Improving Teacher Quality State Grant (Title II) | 84.367 | 42-6004525 | 1,528,160 |
| Education for Homeless Children & Youth | 84.196 | 42-6004525 | 38,000 |
| English Language Acquisition Grants (Title III ELL/LEP) | 84.365 | 42-6004525 | 669,172 |
| English Language Acquisition Grants (Title III Immigrant Children) | 84.365 | 42-6004525 | 215,533 |
| Subtotal | | | 884,705 |
| Grants for State Assessments & Related Activities | 84.369 | 42-6004525 | 169,862 |
| Iowa Demonstration Construction Grants | 84.215K | 42-6004525 | 16,572 |
| Advanced Placement Program | 84.330 | 42-6004525 | 52,679 |
| 21st Century Community Learning Centers | 84.287 | 42-6004525 | 1,512,738 |
| Safe and Supportive Schools | 84.184Y | 42-6004525 | 126,777 |

(Continued)

Des Moines Independent Community School District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2014

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Federal Expenditures |
|--|------------------------|----------------------------------|-------------------------|
| (Passed through Heartland Area Education Agency 11): | | | |
| Special Education Grants to States (Individuals with Disabilities Education Act) | 84.027 | 42-1028173 | 1,801,561 |
| Special Education Grants to States (Handicapped Preschool Program Vocational Assessment) | 84.027 | 42-1028173 | 5,496,227 |
| Parent Education Project | 84.027 | 42-1028173 | 20,772 |
| Subtotal | | | <u>5,516,999</u> |
| Special Education Grants to States (Grants for Infants and Families with Disabilities) | 84.181 | 42-1028173 | 186,156 |
| Special Education Preschool Grants (Least Restrictive Environment Coordinator) | 84.173 | 42-1028173 | 170,572 |
| | | | <u>7,675,288</u> |
| (Passed through Iowa College Student Aid Commission), Gaining Early Awareness and Readiness (GEAR UP) | 84.334 | 42-00891451 | 272,255 |
| Total U.S. Department of Education | | | <u>24,534,081</u> |
| U.S. Department of Health and Human Services: | | | |
| (Passed through Iowa Department of Education): | | | |
| Youth At Risk | 93.938 | 42-6004525 | 849 |
| Refugee Assistance Program | 93.576 | 42-6004525 | 116,021 |
| School Wellness | 93.945 | 42-6004525 | 12,171 |
| (Passed through State of Iowa Vocational Rehabilitation), Project SEARCH | 84.126 | 42-6004525 | 59,872 |
| (Passed through Iowa Economic Development Authority), AmerCorp | 94.006 | 42-6004525 | 456,252 |
| (Passed through Drake University), Head Start | 93.600 | 42-0680460 | 1,508,435 |
| Total U.S. Department of Health and Human Services | | | <u>2,153,600</u> |
| U.S. Department of Defense: | | | |
| (Direct): | | | |
| Air Education & Training Command | 12.999 | N/A | 120,858 |
| National Security Agency - Startalk | 12.900 | N/A | 95,607 |
| Total U.S. Department of Defense | | | <u>216,465</u> |
| U.S. Department of Justice: | | | |
| (Passed through City of Des Moines), Secure our School | 16.710 | 42-6004514 | 113,410 |
| Total Expenditures of Federal Awards | | | <u>\$ 41,564,256</u> |

See Notes to Schedule of Expenditures of Federal Awards.

Des Moines Independent Community School District

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

Note 1. Basis of Presentation

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

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Pass-Through Funding

Of the federal expenditures presented in the schedule, the District provided federal awards to subrecipients as follows:

| Program Title | Federal CFDA Number | Amount Provided to Subrecipient |
|--|---------------------|---------------------------------|
| Title I Grants to Local Educational Agencies | 84.010A | \$ 90,299 |
| Project SEARCH | 84.126 | 22,072 |
| Improving Teacher Quality State Grant (Title II) | 84.367 | 4,214 |

Note 4. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$967,002 related to USDA Commodities grants provided by the U.S. Department of Agriculture and passed through the Iowa Department of Education.

Note 5. Catalog of Federal Domestic Assistance (CFDA) Number

Because there is no subtotal reported on the schedule of certain federal awards for these programs, the total federal expenditures are as follows:

| CFDA No. | Federal Expenditures |
|----------|----------------------|
| 84.027 | \$ 5,555,682 |
| 84.334 | 294,632 |

Des Moines Independent Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

| | Findings | Status | Corrective Action Plan or Other Explanation |
|---|---|---------------------|---|
| Findings Related to Federal Awards: | | | |
| 2013-001 | The District was unable to provide semiannual certification or activity sheets for two employees that were funded by federal programs. | Corrected | |
| Other Findings Related to Required Statutory Reporting | | | |
| 13-IV-G | Documentation to support the number of foster care students reported as enrolled is not maintained. | Uncorrected | See similar finding and corrective action plan at 14-IV-G |
| 13-IV-G | Various certified enrollment variances identified by the State. | Uncorrected | See similar finding and corrective action plan at 14-IV-G |
| 13-IV-M | The Preschool Fund, Child Care Fund and Collage Fund had deficit balances as of June 30, 2013 of \$677,879, \$264,478 and \$74,347, respectively. | Partially Corrected | The preschool Fund deficit balance was eliminated as of June 30, 2014; see similar finding and corrective action plan at 14-IV-M for the Child Care and Collage funds |

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the basic 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.

District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on them.

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGladrey LLP

Des Moines, Iowa
November 5, 2014

Report on Internal Control Over Compliance

Management of the 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



Des Moines, Iowa
November 5, 2014

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

| CFDA Number | Name of Federal Program |
|-------------|--|
| | Child Nutrition Cluster: |
| 10.553 | School Breakfast Program |
| 10.555 | National School Lunch Program |
| 10.559 | Summer Food Service Program for Children |
| 93.600 | Head Start |
| 84.287 | 21st Century Community Learning Centers |

Dollar threshold used to distinguish between type A and type B programs: \$1,246,927

Auditee qualified as low-risk auditee? Yes No

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2014**

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Internal Control

No matters reported.

B. Compliance Findings

No matters reported.

III. Findings and Questioned Costs for Federal Awards

A. Internal Control

No matters reported.

B. Compliance Findings

No matters reported.

IV. Other Findings Related to Required Statutory Requirements

14-IV-A – Certified Budget and General Fund Spending Authority – The District's certified budget was not in excess of spending authority. District expenditures did not exceed the certified budget.

14-IV-B – Questionable Expenditures – No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

14-IV-C – 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.

14-IV-D – Business Transactions – No business transactions between the District and District officials or employees were noted.

14-IV-E – 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 the coverage is adequate for current operations.

14-IV-F – Board Minutes – Board minutes were properly published, signed off on and each member's vote was properly recorded.

14-IV-G – Certified Enrollment – No material variances in the basic enrollment data certified to the Iowa Department of Education was noted. However the following items were noted:

Finding: The District does not keep documentation supporting the number of foster care students reported as enrolled within the District unless they are special education foster care students.

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2014

Recommendation: The District is required to maintain instructions on file describing the procedures for tracking the number of foster care students, which includes communication with foster care facilities. Information from these facilities should be maintained in the file as supporting documentation.

Response and Corrective Action Plan: Due to confidentiality of foster care records, the District cannot properly identify and document foster care students enrolled in the District outside of Special Education instruction.

Finding: There were various certified enrollment variances identified by the State that resulted in a reduction of 8.16 students from the October 1, 2013 certified enrollment numbers reported by the District.

Recommendation: The District should correct the errors prior to providing the information to the State to avoid adjustments made by the State.

Response and Corrective Action Plan: The District has reviewed and agreed to the certified enrollment variances identified by the State as well as responded to the State with the District's assessment performed.

14-IV-H – Supplementary Weighting – No significant variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

14-IV-I – Deposits and Investments – The District's policy for deposits and investments is in compliance with the Code of Iowa.

14-IV-J – Certified Annual Report – The Certified Annual Report was certified timely to the Iowa Department of Education.

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

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2014

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

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2014, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

| | | |
|---|------------|------------------------------|
| Beginning balance | | \$ 78,552,929 |
| Local option sales tax | | 27,874,657 |
| Earnings on investments | | 59,246 |
| Other local sources | | 473,225 |
| | | <u>28,407,128</u> |
| Other sources: | | |
| Issuance of revenue bonds | | 70,720,000 |
| Premiums on revenue bonds | | 5,135,507 |
| | | <u>75,855,507</u> |
| Expenditures/transfers out: | | |
| School infrastructure: | | |
| Land | \$ - | |
| Buildings | 34,980,250 | |
| Equipment | 1,279,205 | |
| Other improvements | 425,446 | |
| Debt service for school infrastructure: | | |
| General obligation debt | - | |
| Bond issue costs | 817,127 | |
| Revenue debt | 12,631,366 | 50,133,394 |
| Ending balance | | <u><u>\$ 132,682,170</u></u> |

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2014

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

14-IV-M – Deficit Balances – The Child Care Fund and Collage Fund had deficit balances as of June 30, 2014 of \$269,021 and \$73,492, respectively.

Finding: As of June 30, 2014, the Child Care Fund and Collage Fund had reported deficit balances.

Recommendation: The District should continue to investigate alternatives to eliminate these deficits in order to return funds to a sound financial condition.

Response and Corrective Action Plan: The District continues to analyze the Child Care Fund and Collage Fund's activities and have taken steps to reduce the negative fund balance.

14-IV-N – Revenue Bonds – The District has established the reserve account required by all revenue bond resolutions as of June 30, 2014. The required monthly transfers from the revenue account to the sinking account were made by the District.

14-IV-O – Student Activity Fund – No instances of noncompliance with the use of student activity funds provisions of Chapter 298A.8 of the Code of Iowa and Iowa Administrative Rule 281-12.6(1) were noted.

14-IV-P – Early Childhood Iowa Area Board – The District is not the fiscal agent for the Early Childhood Iowa Area Board.

Des Moines Independent Community School District

**Corrective Action Plan
Year Ended June 30, 2014**

| Current Number | Comment | Corrective Action Plan | Anticipated Date of Completion | Contact Person |
|--|--|---|--------------------------------|-----------------------|
| Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Auditing Standards | | | | |
| Other Findings Related to Required Statutory Reporting | | | | |
| 14-IV-G | Documentation to support the number of foster care students reported as enrolled is not maintained. | See response and corrective action plan at 14-IV-G. | N/A | Shelly Bosovich |
| 14-IV-G | Various certified enrollment variances identified by the State. | See response and corrective action plan at 14-IV-G. | June 30, 2015 | Thomas Harper, CFO |
| 14-IV-M | The Child Care Fund and Collage Fund had deficit balances as of June 30, 2014 of \$269,021 and \$73,492, respectively. | See response and corrective action plan at 14-IV-M. | June 30, 2015 | Thomas Harper, CFO |