

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
WAUKEE COMMUNITY SCHOOL DISTRICT
WAUKEE, IOWA

FOR THE FISCAL YEAR ENDED
JUNE 30, 2005

OFFICIAL ISSUING REPORT
R. Duane Van Gorp, RSBO
Executive Director of Administrative Services

OFFICE ISSUING REPORT
Business Office

WAUKEE COMMUNITY SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 C O N T E N T S

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INTRODUCTORY SECTION

LETTER

September 23, 2005

Members of the Board of Education
Waukee Community School District
Waukee, Iowa

The Comprehensive Annual Financial Report (CAFR) for the Waukee Community School District for the fiscal year ended June 30, 2005 is submitted herewith. Responsibility for accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District Office of Administrative Services. We believe the data is accurately presented, in all material respects; that the data is presented to fairly set forth the respective financial position of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information, and the respective changes in financial position and cash flows where applicable; 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.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section, which is unaudited, includes this transmittal letter, a list of principal District officials, an organization chart, and the Association of School Business Officials Certificate of Excellence in Financial Reporting. The financial section includes the management's discussion and analysis, audited basic financial statements, required supplementary information, and the combining and individual fund financial statements and schedules, as well as the independent auditor's report. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis. We encourage readers to refer to all three sections of the report, including the Management's Discussion and Analysis in the financial section which gives a more detailed summary of the District's financial performance.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*.

The report includes all funds and account groups of the Waukee Community School District. Waukee Community School District has no component units which meet the Governmental Accounting Standards Board criteria. The District provides a full range of services including instructional, administrative, transportation, food service, maintenance of sites and facilities, custodial, clerical, extra and co-curricular activities and athletics.

This CAFR has been prepared using the guidelines recommended by the Association of School Business Officials International (ASBO). Certificates of Excellence are awarded to school systems that have presented their CAFR to the ASBO Panel of Review for critical review and evaluation. Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. The standards used in the "Certificate of Excellence Program" are based on generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). We actively pursue this award through the efforts of the entire Waukee Team. The Waukee Community School District received this certificate for its comprehensive annual financial report for the fiscal year ending June 30, 2004, a copy of the certificate is included in the introductory section of this report.

BASIS OF ACCOUNTING

The District's accounting records were maintained on a modified accrual basis. These accounting policies are enumerated in the notes to financial statements. All the District's funds are presented in this report and have been audited by the District's independent certified public accountants, Hunt, Kain & Associates.

The chart of accounts used by the District is in conformance with the Uniform Accounting System for Iowa Schools and Area Education Agencies issued November 1975, by the Iowa Department of Education. The chart of accounts manual is updated on an annual basis. The District is in full compliance with these requirements.

ECONOMIC CONDITION AND OUTLOOK

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook is stable. The Waukee Community School District has been and, is currently, the fastest growing school district in the state of Iowa and the growth projections are expected to continue. According to an article published on April 15, 2005 by the Des Moines Register, Dallas County is the 10th fastest growing county in the nation, recording a 6.6 % growth rate from July 2003 to July 2004. In February of 2005 the State of Iowa reported a 14.5 % growth in revenues for January 2005 and an overall revenue growth for the first seven months of the fiscal year of 8.2 %. This growth has had a positive affect on employment and the District's tax base. The District has averaged an annual increase in the tax base of nearly fifteen per cent over the past 10 years. In fiscal 2005, this trend continued with the tax base increasing by 10.4%.

Based on conservative projections, this trend is expected to continue. While having a positive impact, the growth also presents significant challenges for the District. The District utilizes the optional instructional support levy at a level deemed appropriate and will need to continue a high level of efficient use of human resources and facilities.

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. Retail, commercial and residential property values continue to grow at record pace. Assessed values of the District are modestly expected to increase by 10% or more in the near term. In the fall of 2004, a new 250-acre retail shopping mall opened within the boundaries of the District and is expected to generate eighty million dollars in revenue annually. The schools of Dallas County passed a one-cent sales tax on all covered retail sales in the county. All the schools in Dallas County on a per pupil basis will share the revenue from this sales tax. The Waukee Community School District is the largest district in Dallas County and the percentage of total students in the county will continue to increase on an annual basis. The District will receive a larger percentage of the total sales tax, as our students as a percent of the total students in the county, will increase annually.

MAJOR INITIATIVES

Current year. During the year, the District continued to implement a ten-year plan for facilities and a three-year plan for finances. The District's rapid growth, limited resources and the need to clearly outline and prioritize site and facility needs in chronological order necessitate the plans. Specifically, the District finalized a 155,000 square feet, \$16.5 Million building to house 8th and 9th grade students, began the construction for a 96,000 square feet, \$11.5 Million K-5 elementary school, completed construction on a 4 classroom addition at Brookview Elementary School, continued construction on a \$100,000 athletic complex for the baseball and softball programs and were involved in on-going discussion preparing to purchase a 15-acre future school site.

Future Considerations. The ten-year facility plan and accompanying demographic information concluded that student enrollment and tax base would continue to increase at a rapid pace. This study, along with annual enrollment projections to estimate space needs, have indicated the need for an elementary school to open in the fall of 2005 and then a fifth K-5 facility to open in the fall of 2007. Additional space at the current high school will be necessary by the fall of 2007 and it appears that the current middle school will need additional space by the fall of 2008. Revenues from the successful local option sales tax and proceeds from the newly extended \$1.34 Physical Plant and Equipment Levy will play major roles in the financing of all the above facility projects. The District does not foresee the need to issue general obligation bonds in the immediate future, however the debt capacity can always be utilized if the need for additional funding becomes necessary.

DEBT ADMINISTRATION

The ratio of net indebtedness to assessed valuation and the amount of indebtedness per capita are useful indicators of the District's debt position. The 2005 fiscal year data shows a total outstanding indebtedness on June 30th of \$56,675,000 with a ratio of debt to 100% taxable, actual, assessed valuation of 3.59%. During FY 2005, \$8,335,000 of outstanding debt was paid and an additional \$11,390,000 of new debt issued. In the near future, as assessed valuation and District population rise and total indebtedness decrease, these economic indicators will reflect a very favorable financial position.

The above indebtedness of \$56,675,000 is a result of general obligation bonds issued August 1996, July 1997, July 1998, June 1999, April 2000, March 2001, April 2002, November 2002, May 2003, June 2004, February 2005 and March 2005. Capital loan notes were issued December 1995, July 1997, August 2000 and March 2001.

RISK MANAGEMENT

Waukee Community School District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, error and omissions, injuries to employees and natural disasters. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

FINANCIAL INFORMATION

Internal Controls. Management of the District is responsible for establishing and maintaining an internal control designed to ensure that its capital assets are protected from loss, theft or misuse and to ensure that accounting data are compiled to allow for the preparation of the basic financial statements in accordance with accounting principles generally accepted in the United State of America. The 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, 2005, provided no instances of material weaknesses in the internal control or violations of applicable laws and regulations.

Budgetary Controls. In addition, the District maintains 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 fund and capital projects funds are included in the annual appropriated budget. 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 by program level for all funds combined rather than at the individual fund level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the fiscal year's end. However, encumbrances generally are re-appropriated as part of the following year's budget.

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 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 in full compliance with these requirements.

CASH MANAGEMENT

Cash, while temporarily idle during the year, was invested in time deposits and money market accounts. Interest rates ranged from .79% to 2.925% during the year, compared to the highest rate of 1.86% for the previous year. This aspect of the District's finances has gained importance in recent years as we have sought to maximize the yield on our investments without forfeiting the use of fund balances.

OTHER INFORMATION

Independent Audit. The accounting firm of Hunt, Kain & Associates, P.C. was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules is included in the financial section of this report.

ACKNOWLEDGEMENT

The preparation of this report on a timely basis could not have been accomplished without the effort of the accounting staff and our auditors, Hunt, Kain & Associates, P.C. We would like to express our appreciation to all staff members who assisted and contributed to this report. 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,

David J. Wilkerson, Ph.D.
Superintendent

R. Duane Van Gorp, RSBO
Executive Director of Administrative Services

CHART

WAUKEE COMMUNITY SCHOOL DISTRICT

BOARD OF EDUCATION AND ATTORNEY

Board of Education Before September 2004 Election

Tracy Lepeltak	President	2006
Bill Daggett	Vice President	2004
Wayne Cooper	Board Member	2004
Kevin Vinchattle	Board Member	2005
Karen Oberman	Board Member	2005
Embree Edgington	Board Member	2006
Russ Wiesley	Board Member	2006

Board of Education After September 2004 Election

Tracy Lepeltak	President	2006
Wayne Cooper	Vice President	2007
Kevin Vinchattle	Board Member	2005
Karen Oberman	Board Member	2005
Embree Edgington	Board Member	2006
Russ Wiesley	Board Member	2006
Larry Lyon	Board Member	2007

Board Attorney

Edgar Bittle, Ahlers & Cooney, P.C.	Attorney	Indefinite
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WAUKEE COMMUNITY SCHOOL DISTRICT

SCHOOL DISTRICT ADMINISTRATION

For the year ended June 30, 2005

Dr. David J. Wilkerson	Superintendent
R. Duane Van Gorp, RSBO	Executive Director of Administrative Services
Edie Eckles	Director of Teaching & Learning
Molly Boyle	Literacy Resource Strategist
Denise Krefting	Technology Resource Strategist
Dr. Bruce Kimpston	Director of Human Resources
Roxanne Cumings	Director of Student Services
Kathy Niblo	Director of Accounting/Secretary to the Board of Education
Bernie Van Roekel	High School Principal
Judi Roland	High School Dean of Students
Ronald Book	High School Dean of Students
Theresa Best	High School Dean of Students
Eric Jones	High School Dean of Students
Cherry Donovan	High School At Risk Coordinator
Bradley Buck	Prairieview & Middle School Principal
Juley Murphy-Tiernen	Prairieview Assistant Principal
Ed Slauson	Prairieview Dean of Students
Susan Elbert	Prairieview Dean of Students
Mike Blake	Middle School Assistant Principal
Mark Skahill	Middle School Dean of Students
Vicki Hasty	Middle School Dean of Students
Larry Rude	Prairieview & Middle School At Risk Coordinator
Randy Nemitz	Waukee Elementary Principal
Peg Erke	Waukee Elementary Assistant Principal
Jason Sanders	Waukee Elementary Dean of Students
Cindi McDonald	Brookview Elementary Principal
Deb Snider	Eason Elementary Principal
Jim Duea	Director of Athletics & Activities
Todd Schneiter	Assistant Director of Athletics
Jeannie Allgood	Director of Nutrition Services
Eric Rose	Director of Operations
Jay Oxenford	Grounds Supervisor
Steve Baumeister	Network Specialist
Wayne Kischer	Auditorium Manager

WAUKEE COMMUNITY SCHOOL DISTRICT
CONSULTANTS, ADVISERS, AND OFFICIAL DEPOSITORIES

Consultants and Advisors

Certified Public Accountants

Hunt, Kain & Associates, P.C.
1201 High Avenue West
Oskaloosa, Iowa 52577

Bond Attorney

Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231

Financial Consultant

Piper Jaffrey
700 Walnut Street, Suite 1300
Des Moines, Iowa 50309-3800

General Counsel

Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231

Property/Casualty Insurance Agent

Insurance Associates
2501 Westown Parkway, Suite 1104
West Des Moines, Iowa 50266-1438

Benefits Insurance Broker

Marsh Advantage America
1776 West Lakes Parkway – SS2
West Des Moines, Iowa 50266

Official Depositories

Wells Fargo, Iowa
110 Highway 6
Waukee, Iowa 50263

Waukee State Bank
Warrior Lane & Highway 6
PO Box 66
Waukee, Iowa 50263

Commercial Federal Bank
5500 Westown Parkway
Suite 120
West Des Moines, Iowa 50266

Iowa School Joint Investment Trust
PO Box 71158
Clive, Iowa 50325-0158

IPAS Education
1415 28th Street, Suite 200
Century II Building
West Des Moines, Iowa 50266-1456

CERTIFICATE

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Waukee Community School District:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Waukee Community School District, Iowa, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Waukee Community School District as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2005 on our consideration of Waukee Community School District's internal control over financial reporting and 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 and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 22 through 31 and 80 through 81 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Waukee Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2004 (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 6, including the accompanying Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical information listed in the table of contents is not necessary for a fair presentation of the basic financial statements, but is presented as additional analytical data. This information is unaudited and we do not express an opinion on it.

Oskaloosa, Iowa
September 23, 2005

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2005

It is with great pleasure we present to you the financial picture of Waukee Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Waukee Community School District for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

The District showed an increase in net assets of \$3,769,791 during the year ended June 30, 2005.

Total governmental activities revenues for the fiscal year ended June 30, 2005 of \$35,195,155 were comprised of General Revenues in the amount of \$30,662,246 and program revenues totaling \$4,532,909.

As of June 30, 2005, unreserved, undesignated fund balance for the General Fund was \$1,373,853 or 5.46% of General Fund expenditures. The financial solvency ratio for the year ended June 30, 2005 was 5.40%, which is a decrease of .197% over the previous year. This decrease is attributed to unreserved fund balance not keeping pace with revenue increases.

The Waukee Community School District's total long-term bonded debt and capital loan notes increased by \$3,055,000 due to issuance of general obligation bonds approved in 2004.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Waukee Community School District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other 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 Waukee Community School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all Waukee Community School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements reflect functions of the Waukee Community School District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional services, other and debt service. Business type activities are those that the District charges a fee to help cover the costs such as School Nutrition.

The government-wide financial statements include only Waukee Community School District. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

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. The Waukee Community School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary fund 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. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Waukee Community School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Physical Plant and Equipment Levy, Debt Service and Capital Projects Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 40 through 48 of this report.

Proprietary fund – The District maintains two types of proprietary funds, an enterprise fund and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains two enterprise funds. Information is presented separately for the School Nutrition Fund which is considered a major fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions.

The basic proprietary fund financial statements can be found on pages 49 through 52 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Waukee Community School District's own programs. The fiduciary funds of the District are agency funds and private purpose trust funds. Agency funds are custodial in nature and do not involve measurement of results of operation. The District accounts for outside donations for scholarships in the private purpose trust fund.

The basic fiduciary fund financial statements can be found on pages 53 through 54 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Waukee Community School District's budgetary comparison. Required supplemental information can be found on pages 80 and 81 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's total net assets have increased from a year ago from \$8,831,292 to \$12,601,083.

A significant portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net assets invested in capital assets, net of related debt, was \$8,830,574. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 below provides a summary of the District's net assets at June 30, 2005 compared to June 30, 2004.

Table 1 - Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2005	2004	2005	2004	2005	2004	2004-2005
Assets							
Current and Other Assets	\$ 25,885,976	\$ 26,010,904	\$ 495,809	\$ 541,170	\$ 26,381,785	\$ 26,552,074	-0.6%
Capital Assets	63,440,293	53,948,671	548,174	377,917	63,988,467	54,326,588	17.8%
Total Assets	\$ 89,326,269	\$ 79,959,575	\$ 1,043,983	\$ 919,087	\$ 90,370,252	\$ 80,878,662	11.7%
Liabilities							
Long-term Liabilities	\$ 56,675,000	\$ 53,620,000	\$ -	\$ -	\$ 56,675,000	\$ 53,620,000	5.7%
Other Liabilities	21,057,892	18,415,548	36,277	33,125	21,094,169	18,448,673	14.3%
Total Liabilities	\$ 77,732,892	\$ 72,035,548	\$ 36,277	\$ 33,125	\$ 77,769,169	\$ 72,068,673	7.9%
Net Assets							
Invested in Capital Assets net of Debt	\$ 8,282,400	\$ 6,054,028	\$ 548,174	\$ 377,917	\$ 8,830,574	\$ 6,431,945	37.3%
Restricted	2,627,733	729,161	-	-	2,627,733	729,161	260.4%
Unrestricted	683,244	1,162,141	459,532	508,045	1,142,776	1,670,186	-31.6%
Total Net Assets	\$ 11,593,377	\$ 7,945,330	\$ 1,007,706	\$ 885,962	\$ 12,601,083	\$ 8,831,292	42.7%

The restricted portion of the District's current year net assets (20.85%) represents resources that are subject to external restrictions on how they may be used. These restrictions include \$68,596 for two state grants, \$937,858 for Physical Plant and Equipment, \$1,383,966 for Capital Projects and \$232,313 for other special revenue purposes. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to students and creditors.

At the end of the current fiscal year, the Waukee Community School District is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The District's total net assets increased by \$3,769,791, or 42.7% during the current fiscal year. The total invested in capital assets net of related debt increased 37.3%. The governmental activities net assets increased by \$3,648,047. The business-type activities increased by \$121,744. The increase in governmental activities net assets is mainly attributable to less than expected budgeted expenditures during a time that the District is growing dramatically and investing heavily in capital assets.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2005 as compared to the fiscal year ended June 30, 2004. These two main components are subtracted to yield the change in net assets. This table utilizes the full accrual method of accounting. Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for services and sales, operating and capital grants and contributions. General Revenue includes taxes and unrestricted grants such as state foundation support.

Expenses are shown in programs including instruction, support services, non-instructional programs, other debt service.

Table 2 - Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total District		Total Change
	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004	June 30, 2004-05
Revenue:							
Program Revenue:							
Charges for services	\$ 2,119,416	\$ 2,018,143	\$ 1,408,137	\$ 1,214,398	\$ 3,527,553	\$ 3,232,541	9.1%
Operating Grants and Contributions	2,413,493	1,935,347	301,939	266,374	2,715,432	2,201,721	23.3%
Capital Grants and Contributions	-	-	120,440	-	120,440	-	100.0%
General Revenue:							
Property and other taxes	15,992,732	13,672,507	-	-	15,992,732	13,672,507	17.0%
Local Option Sales Tax	2,736,191	551,705	-	-	2,736,191	551,705	396.0%
Unrestricted State Grants	11,414,256	9,242,108	-	-	11,414,256	9,242,108	23.5%
Unrestricted Investment Earnings	191,461	87,440	7,753	2,967	199,214	90,407	120.4%
Other	<u>327,606</u>	<u>90,245</u>	<u>-</u>	<u>-</u>	<u>327,606</u>	<u>90,245</u>	263.0%
Total Revenues	<u>\$ 35,195,155</u>	<u>\$ 27,597,495</u>	<u>\$ 1,838,269</u>	<u>\$ 1,483,739</u>	<u>\$ 37,033,424</u>	<u>\$ 29,081,234</u>	27.3%
Expenses:							
Program Expenses:							
Instruction	\$ 17,459,390	\$ 14,226,865	\$ -	\$ -	\$ 17,459,390	\$ 14,226,865	22.7%
Support Services	8,412,897	6,766,317	-	-	8,412,897	6,766,317	24.3%
Non-Instructional Programs	-	369	1,716,525	1,346,037	1,716,525	1,346,406	27.5%
Other	3,078,307	2,195,304	-	-	3,078,307	2,195,304	40.2%
Debt Service	2,596,514	2,204,034	-	-	2,596,514	2,204,034	17.8%
Total Expenses	<u>\$ 31,547,108</u>	<u>\$ 25,392,889</u>	<u>\$ 1,716,525</u>	<u>\$ 1,346,037</u>	<u>\$ 33,263,633</u>	<u>\$ 26,738,926</u>	24.4%
Change in net assets	<u>\$ 3,648,047</u>	<u>\$ 2,204,606</u>	<u>\$ 121,744</u>	<u>\$ 137,702</u>	<u>\$ 3,769,791</u>	<u>\$ 2,342,308</u>	60.9%

The number of students served by the District increased by approximately 442 students which was a 12.2% increase over the prior year. This accounts for the across the board increase in revenues and expenses in both governmental activities and business-type activities. Investment earnings increased 120.4% due to increasing interest rates and increased availability of investment capital for greater periods of time. Local option sales tax increased 396.0% due to the fact that this was the first full year local option sales taxes were collected.

Table 3 below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by state aid and local taxes. The difference in these two columns would represent costs funded by operating grants, contributions and charges for services.

Table 3 - Governmental Activities

Programs	Total Cost of Services 2005	Net Cost of Services 2005
Instruction	\$17,459,390	\$14,183,313
Support Services	8,412,897	8,151,362
Non-instructional Programs	0	0
Other	3,078,307	2,083,010
Debt Service	2,596,514	2,596,514
Total Expenses	<u>\$31,547,108</u>	<u>\$27,014,199</u>

Net cost of services is 85.6% of total cost of services in 2005.

Financial Analysis of the Government's Funds

As noted earlier, the Waukee Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Waukee Community School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Waukee Community School District's governmental funds reported combined ending balances of \$5,779,722, a decrease of \$2,014,902 in comparison with the prior year. Approximately 23.8% of this total amount, or \$1,373,853, constitutes undesignated, unreserved fund balance and is available for spending at the government's discretion. The remainder of the fund balance is designated or reserved to indicate that it is not available for new spending because it has already been committed for 1) inventories \$41,756; 2) state grants \$68,596; 3) PPEL \$940,735; 4) Debt Service \$189,164; 5) Capital Projects \$2,906,073 and for 5) non-major, special revenue funds \$259,545.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,373,853 while total fund balance reached \$1,484,205. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 5.46% of total General Fund expenditures.

The fund balance of the District's General Fund increased \$263,098 during the current fiscal year. The key factor in this was a concentrated effort to continue a trend of upward financial stability as evidenced by an increasing fund balance and financial solvency ratio.

The District's other major funds include the Physical Plant and Equipment Levy Fund, Debt Service Fund, the Capital Projects Fund and the School Nutrition Fund. The Physical Plant and Equipment Levy Fund increased \$507,386 due to less facilities acquisition and construction expenditures than expected in the current year. The Debt Service fund balance increased \$70,165 due to accumulation of local taxes needed to make future interest payments as they come due. The Capital Projects fund balance decreased by \$2,819,284 due to continuing work on construction projects. The School Nutrition net assets increased by \$105,354 due to increased participation in the lunch program and an increase in capital contributions of equipment.

Budgetary Highlights

As allowed by GASB Statement No. 41, *Budgetary Comparison-Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget for all funds except internal service, private purpose trust, and agency funds as described in the note to required supplementary information.

A comparison of the actual expenditures/expenses of the District's budgeted funds with the final budget amounts is as follows:

	Budget Original & <u>Final</u>	Actual Expenditures/ <u>Expenses</u>	<u>Variance</u>
Instruction	\$ 16,419,579	\$ 17,003,329	\$ (583,750)
Support Services	7,902,033	8,232,062	(330,029)
Non-Instructional Programs	1,500,000	1,716,525	(216,525)
Other	16,855,068	23,336,666	(6,481,598)
Totals	<u>\$ 42,676,680</u>	<u>\$ 50,288,582</u>	<u>\$ (7,611,902)</u>

The negative variance of \$7,611,902 was a result of two simultaneous situations. One, as District revenue and expenditures were increasing above published budget amounts, the District failed to recognize the need to amend the budget for the higher amounts. Second, the District sold approximately \$11,000,000 of general obligation and refunding bonds to fund various capital projects, again failing to recognize the need to amend the budget. This is an oversight the District deeply regrets and vows to not allow this to happen in the future.

Capital Assets and Debt Administration

The following table shows ending balances of capital assets invested in various categories for governmental activities. The District recognized a total net increase of \$9,491,622. The increase can be attributed to the completion of Prairieview School, an 8th and 9th grade facility, completion of a four-room addition to Brookview Elementary, finalization of our baseball/softball hitting facility and the substantial completion of the 4th elementary school, Walnut Hills.

Table 4 - Capital Assets as of June 30 (Net of Depreciation)

	<u>2005</u>	<u>2004</u>
Land	\$2,707,530	\$2,707,530
Construction in Progress	10,213,540	16,467,192
Buildings, Improvements and Furniture and Equipment	50,519,223	34,773,949
Totals	<u>\$63,440,293</u>	<u>\$53,948,671</u>

Additional information about the District's capital assets can be found in note 5 to the basic financial statements.

Debt

As of June 30, 2005, the Waukee Community School District had general obligation and capital loan notes outstanding totaling \$56,675,000. In the current year, the District paid \$8,335,000 in principal and \$2,391,214 in interest, including new principal retirement due to a refunding issue.

Table 5 – Outstanding General Obligation and Capital Loan Debt as of June 30

	<u>2005</u>	<u>2004</u>
General Obligation Bonds	\$ 55,945,000	\$ 52,195,000
Capital Loan Notes	730,000	1,425,000
	<hr/>	<hr/>
Totals	<u>\$ 56,675,000</u>	<u>\$ 53,620,000</u>

As of June 30, 2005, the District's available debt limit was \$79,027,687 which leaves a legal debt margin of \$22,352,687 once the current year applicable general obligation and capital loan debt is applied.

Additional information about the District's long-term debt can be found in note 6 to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The District is located in the central part of the state, approximately 15 miles west of the city of Des Moines. The District, comprised totally in Dallas County, Iowa, is the 10th fastest growing county in the nation. The District is the fastest growing school district in the State of Iowa. The September 2004 certified resident student enrollment increased 468 students over the previous year. The economic condition and outlook of the District is one of great optimism. Total assessed value in the District has increased 1.2 billion dollars since the 1995-96 fiscal year. The taxable assessed value has increased 750% since 1995. For the current fiscal year, taxable assessed value in the District increased \$94,065,890 or 10.4%.

Based on conservative estimates this trend is expected to continue and probably accelerate in the immediate future. The eastern portions of Dallas County are experiencing tremendous growth in both residential and commercial development. The collection of the Dallas County local option sales tax, a one cent tax on all covered retail sales began in January of 2004 and is estimated to generate 3.2 million dollars in fiscal 2006. This one-cent sales tax will continue through December of 2014.

This tremendous growth, while having a positive impact, also presents significant challenges for the District. The District is utilizing the optional instructional support levy to its fullest and will need to continue its high level of efficient use of human resources and facilities.

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. Dallas County is the 10th fastest growing county in the country. These increases are projected to continue if economic conditions remain favorable.

The past year saw the State of Iowa's economic downturn begin to turn in a positive direction. Revenue projections at the state level increased again for the third consecutive year. While the District has faced reductions in funding for state aid and other state-funded programs in previous years, the future looks brighter with the 2005 legislature setting allowable growth for the 2005-06 fiscal year at 4%. We are cautiously optimistic about the State of Iowa's financial outlook. As the national economy continues to strengthen, state revenues usually follow the same upward direction.

Requests for Information

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Mr. R. Duane Van Gorp, Executive Director of Administrative Services, Waukee Community School District, 560 S.E. University Avenue, Waukee, Iowa, 50263.

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BASIC FINANCIAL STATEMENTS

WAUKEE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2005

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 8,480,962	\$ 461,351	\$ 8,942,313
Receivables:			
Property tax:			
Current year	77,270	-	77,270
Succeeding year	16,586,165	-	16,586,165
Accounts	11,601	556	12,157
Due from other governments	688,222	6,298	694,520
Inventories	41,756	27,604	69,360
Capital assets, net of accumulated depreciation (note 5)	63,440,293	548,174	63,988,467
	<hr/>	<hr/>	<hr/>
Total assets	89,326,269	1,043,983	90,370,252
Liabilities			
Accounts payable	1,021,226	5,735	1,026,961
Salaries and benefits payable	2,460,374	8,306	2,468,680
Accrued interest payable	318,225	-	318,225
Deferred revenue:			
Succeeding year property tax	16,586,165	-	16,586,165
Other	-	22,236	22,236
Long-term liabilities (note 6):			
Portion due within one year:			
Early retirement	181,420	-	181,420
Bonds payable	1,500,000	-	1,500,000
Notes payable	730,000	-	730,000
Compensated absences	115,183	-	115,183
Portion due after one year:			
Early retirement	375,299	-	375,299
Bonds payable	54,445,000	-	54,445,000
	<hr/>	<hr/>	<hr/>
Total liabilities	77,732,892	36,277	77,769,169

WAUKEE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2005

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 8,282,400	\$ 548,174	\$ 8,830,574
Restricted for:			
Physical plant and equipment levy	937,858	-	937,858
Other special revenue purposes	232,313	-	232,313
Capital projects	1,388,966	-	1,388,966
State grants	68,596	-	68,596
Unrestricted	<u>683,244</u>	<u>459,532</u>	<u>1,142,776</u>
Total net assets	<u>\$ 11,593,377</u>	<u>\$ 1,007,706</u>	<u>\$ 12,601,083</u>

See notes to financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Governmental Activities:				
Instruction:				
Regular instruction	\$ 12,517,130	\$ 1,107,826	\$ 898,116	\$ -
Special instruction	3,067,440	227,381	359,224	-
Other instruction	1,874,820	683,530	-	-
	<u>17,459,390</u>	<u>2,018,737</u>	<u>1,257,340</u>	<u>-</u>
Support services:				
Student services	1,315,168	16,575	21,630	-
Instructional staff services	1,487,281	4,471	61,100	-
Administration services	2,437,051	-	-	-
Operation and maintenance of plant services	2,066,846	58,957	-	-
Transportation services	1,106,551	20,676	78,126	-
	<u>8,412,897</u>	<u>100,679</u>	<u>160,856</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	869,614	-	-	-
Debt service - interest	2,510,171	-	-	-
Debt service - fiscal charges	86,343	-	-	-
AEA flowthrough	995,297	-	995,297	-
Depreciation (unallocated) *	1,213,396	-	-	-
	<u>5,674,821</u>	<u>-</u>	<u>995,297</u>	<u>-</u>
Total governmental activities	31,547,108	2,119,416	2,413,493	-
Business-Type Activities:				
Non-instructional programs:				
Food service operations	1,590,456	1,280,987	301,939	105,400
Daycare operations	126,069	127,150	-	15,040
Total business-type activities	<u>1,716,525</u>	<u>1,408,137</u>	<u>301,939</u>	<u>120,440</u>
Total	<u>\$ 33,263,633</u>	<u>\$ 3,527,553</u>	<u>\$ 2,715,432</u>	<u>\$ 120,440</u>

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (10,511,188)	\$ -	\$ (10,511,188)
(2,480,835)	-	(2,480,835)
(1,191,290)	-	(1,191,290)
(14,183,313)	-	(14,183,313)
(1,276,963)	-	(1,276,963)
(1,421,710)	-	(1,421,710)
(2,437,051)	-	(2,437,051)
(2,007,889)	-	(2,007,889)
(1,007,749)	-	(1,007,749)
(8,151,362)	-	(8,151,362)
(869,614)	-	(869,614)
(2,510,171)	-	(2,510,171)
(86,343)	-	(86,343)
-	-	-
(1,213,396)	-	(1,213,396)
(4,679,524)	-	(4,679,524)
(27,014,199)	-	(27,014,199)
-	97,870	97,870
-	16,121	16,121
-	113,991	113,991
(27,014,199)	113,991	(26,900,208)

WAUKEE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2005

Functions/Programs

General Revenues:

Property tax levied for:

General purposes

Debt service

Capital outlay

Local option sales and services tax

Unrestricted state grants

Unrestricted investment earnings

Other

Total general revenues

Change in net assets

Net assets beginning of year, as restated (note 14)

Net assets end of year

* = This amount excludes the depreciation that is included
in the direct expense of the various programs.

See notes to financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ 10,296,201	\$ -	\$ 10,296,201
4,032,221	-	4,032,221
1,664,310	-	1,664,310
2,736,191	-	2,736,191
11,414,256	-	11,414,256
191,461	7,753	199,214
327,606	-	327,606
<hr/>		
30,662,246	7,753	30,669,999
<hr/>		
3,648,047	121,744	3,769,791
<hr/>		
7,945,330	885,962	8,831,292
<hr/>		
<u>\$ 11,593,377</u>	<u>\$ 1,007,706</u>	<u>\$ 12,601,083</u>

WAUKEE COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

	<u>General</u>	<u>Special Revenue Physical Plant and Equipment Levy</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Assets				
Cash and pooled investments	\$ 4,073,639	\$ 932,351	\$ 167,994	\$ 2,994,033
Receivables:				
Property tax:				
Current year	45,981	8,738	21,170	-
Succeeding year	10,889,811	1,760,313	3,575,755	-
Interfund receivable (note 4)	896	-	-	-
Accounts	4,522	-	-	-
Due from other governments	172,980	-	-	515,242
Inventories	41,756	-	-	-
	<u>15,229,585</u>	<u>2,701,402</u>	<u>3,764,919</u>	<u>3,509,275</u>
Total assets	\$ 15,229,585	\$ 2,701,402	\$ 3,764,919	\$ 3,509,275
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 395,195	\$ 354	\$ -	\$ 603,202
Salaries and benefits payable	2,460,374	-	-	-
Interfund payable (note 4)	-	-	-	-
Deferred revenue:				
Succeeding year property tax	10,889,811	1,760,313	3,575,755	-
Total liabilities	<u>13,745,380</u>	<u>1,760,667</u>	<u>3,575,755</u>	<u>603,202</u>
Fund balance:				
Reserved for:				
Inventories	41,756	-	-	-
State grants	68,596	-	-	-
Debt service	-	-	189,164	-
Unreserved:				
Reported in nonmajor Special Revenue Funds	-	-	-	-
Designated for Physical Plant and Equipment Levy	-	940,735	-	-
Designated for Capital Projects	-	-	-	2,906,073
Undesignated	1,373,853	-	-	-
Total fund balances	<u>1,484,205</u>	<u>940,735</u>	<u>189,164</u>	<u>2,906,073</u>
Total liabilities and fund balances	\$ 15,229,585	\$ 2,701,402	\$ 3,764,919	\$ 3,509,275

See notes to financial statements.

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 274,456	\$ 8,442,473
1,381	77,270
360,286	16,586,165
-	896
7,079	11,601
-	688,222
-	41,756
<u>\$ 643,202</u>	<u>\$ 25,848,383</u>

\$ 22,475	\$ 1,021,226
-	2,460,374
896	896
360,286	16,586,165
<u>383,657</u>	<u>20,068,661</u>
-	41,756
-	68,596
-	189,164
259,545	259,545
-	940,735
-	2,906,073
-	1,373,853
<u>259,545</u>	<u>5,779,722</u>
<u>\$ 643,202</u>	<u>\$ 25,848,383</u>

WAUKEE COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

June 30, 2005

Total fund balances of governmental funds	\$ 5,779,722
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	63,440,293
The Internal Service Fund is used to charge the costs of the District's flexible benefits plan to the governmental funds. The net assets of the Internal Service Fund are therefore included in governmental services.	38,489
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(318,225)
Long-term liabilities, including bonds and notes payable, early retirement and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(57,346,902)</u>
Net assets of governmental activities	<u>\$ 11,593,377</u>

See notes to financial statements.

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WAUKEE COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2005

	General	Special Revenue Physical Plant and Equipment Levy	Debt Service	Capital Projects
Revenues:				
Local sources:				
Local tax	\$ 9,993,328	\$ 1,663,883	\$ 4,031,187	\$ 2,736,191
Tuition	1,176,813	-	-	-
Other	422,756	8,935	73,033	189,719
State sources	13,422,857	427	1,034	-
Federal sources	407,377	-	-	-
Total revenues	<u>25,423,131</u>	<u>1,673,245</u>	<u>4,105,254</u>	<u>2,925,910</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction	11,783,035	-	-	-
Special instruction	3,061,467	-	-	-
Other instruction	1,206,562	-	-	-
	<u>16,051,064</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services:				
Student services	1,263,467	-	-	-
Instructional staff services	1,466,510	-	-	-
Administration services	2,234,618	-	-	-
Operation and maintenance of plant services	2,053,484	43,037	-	-
Transportation services	1,097,493	-	-	-
	<u>8,115,572</u>	<u>43,037</u>	<u>-</u>	<u>-</u>
Other expenditures:				
Capital outlay:				
Facilities acquisition	-	359,014	-	11,169,798
Debt service:				
Principal	-	-	8,335,000	-
Interest	-	-	2,391,214	-
Fiscal charges	-	-	37,683	48,660
AEA flowthrough	995,297	-	-	-
	<u>995,297</u>	<u>359,014</u>	<u>10,763,897</u>	<u>11,218,458</u>
Total expenditures	<u>25,161,933</u>	<u>402,051</u>	<u>10,763,897</u>	<u>11,218,458</u>
Excess (deficiency) of revenues over (under) expenditures	<u>261,198</u>	<u>1,271,194</u>	<u>(6,658,643)</u>	<u>(8,292,548)</u>

	Nonmajor Governmental Funds	Total
	<u> </u>	<u> </u>
\$	300,312	\$ 18,724,901
	-	1,176,813
	689,064	1,383,507
	75	13,424,393
	-	407,377
	<u>989,451</u>	<u>35,116,991</u>
	262,739	12,045,774
	-	3,061,467
	<u>689,526</u>	<u>1,896,088</u>
	<u>952,265</u>	<u>17,003,329</u>
	10,602	1,274,069
	9,224	1,475,734
	35,901	2,270,519
	17,726	2,114,247
	-	1,097,493
	<u>73,453</u>	<u>8,232,062</u>
	-	11,528,812
	-	8,335,000
	-	2,391,214
	-	86,343
	-	995,297
	<u>-</u>	<u>23,336,666</u>
	<u>1,025,718</u>	<u>48,572,057</u>
	<u>(36,267)</u>	<u>(13,455,066)</u>

WAUKEE COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended June 30, 2005

	<u>General</u>	<u>Special Revenue Physical Plant and Equipment Levy</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Other financing sources (uses):				
Sale of equipment	\$ 1,900	\$ -	\$ -	-
Interfund transfers in	-	-	763,808	-
Interfund transfers out	-	(763,808)	-	-
General obligation bonds issued	-	-	5,965,000	5,425,000
Premium on sale of bonds	-	-	-	48,264
Total other financing sources (uses)	<u>1,900</u>	<u>(763,808)</u>	<u>6,728,808</u>	<u>5,473,264</u>
Net change in fund balances	263,098	507,386	70,165	(2,819,284)
Fund balances beginning of year	<u>1,221,107</u>	<u>433,349</u>	<u>118,999</u>	<u>5,725,357</u>
Fund balances end of year	<u>\$ 1,484,205</u>	<u>\$ 940,735</u>	<u>\$ 189,164</u>	<u>\$ 2,906,073</u>

See notes to financial statements.

	Nonmajor Governmental Funds	Total
\$	-	\$ 1,900
	-	763,808
	-	(763,808)
	-	11,390,000
	-	48,264
	-	<u>11,440,164</u>
	(36,267)	(2,014,902)
	<u>295,812</u>	<u>7,794,624</u>
\$	<u>259,545</u>	<u>\$ 5,779,722</u>

WAUKEE COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2005

Net change in fund balances - total governmental funds \$ (2,014,902)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the statement of net assets and are allocated over their estimated useful lives as depreciation expense in the statement of activities. The amounts of capital outlays and depreciation expense in the year are as follows:

	Capital outlays	\$ 10,817,069	
	Depreciation expense	<u>(1,325,447)</u>	9,491,622

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets. 8,335,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (118,957)

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. (671,902)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds but increase long-term liabilities in the statement of net assets and do not affect the statement of activities. (11,390,000)

The change in net assets of the Internal Service Fund represents an overcharge to the governmental funds served and, therefore, reduces expenses in the statement of activities. 17,186

Change in net assets of governmental activities \$ 3,648,047

See notes to financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2005

	School Nutrition	Enterprise Nonmajor - Daycare	Total	Internal Service Flexible Benefits
Assets				
Cash and cash equivalents	\$ 456,393	\$ 4,958	\$ 461,351	\$ 38,489
Accounts receivable	556	-	556	-
Due from other governments	5,498	800	6,298	-
Inventories	27,604	-	27,604	-
Capital assets, net of accumulated depreciation	533,886	14,288	548,174	-
Total assets	1,023,937	20,046	1,043,983	38,489
Liabilities				
Accounts payable	5,502	233	5,735	-
Salaries and benefits payable	5,433	2,873	8,306	-
Deferred revenue	22,236	-	22,236	-
Total liabilities	33,171	3,106	36,277	-
Net Assets				
Invested in capital assets	533,886	14,288	548,174	-
Unrestricted	456,880	2,652	459,532	38,489
Total net assets	\$ 990,766	\$ 16,940	\$ 1,007,706	\$ 38,489

See notes to financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2005

	School Nutrition	Enterprise Nonmajor - Daycare	Total	Internal Service Flexible Benefits
Operating revenues:				
Local sources:				
Charges for services	\$ 1,280,987	\$ 127,150	\$ 1,408,137	\$ 199,586
Operating expenses:				
Non-instructional programs:				
Non-instructional operations:				
Salaries	576,979	96,883	673,862	-
Benefits	144,272	12,213	156,485	-
Purchased services	42,022	1,046	43,068	-
Supplies	744,134	12,166	756,300	-
Small equipment	2,658	3,009	5,667	-
Depreciation	79,030	752	79,782	-
Other	1,361	-	1,361	182,400
	<u>1,590,456</u>	<u>126,069</u>	<u>1,716,525</u>	<u>182,400</u>
Operating income (loss)	<u>(309,469)</u>	<u>1,081</u>	<u>(308,388)</u>	<u>17,186</u>
Non-operating revenues:				
Interest on investments	7,484	269	7,753	-
Capital contributions	105,400	15,040	120,440	-
State sources	16,600	-	16,600	-
Federal sources	285,339	-	285,339	-
Total non-operating revenues	<u>414,823</u>	<u>15,309</u>	<u>430,132</u>	<u>-</u>
Change in net assets	105,354	16,390	121,744	17,186
Net assets beginning of year, as restated (note 14)	<u>885,412</u>	<u>550</u>	<u>885,962</u>	<u>21,303</u>
Net assets end of year	<u>\$ 990,766</u>	<u>\$ 16,940</u>	<u>\$ 1,007,706</u>	<u>\$ 38,489</u>

See notes to financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2005

	School Nutrition	Enterprise Nonmajor - Daycare	Total	Internal Service Flexible Benefits
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 1,211,114	\$ -	\$ 1,211,114	\$ -
Cash received from miscellaneous operating activities	74,014	126,350	200,364	199,586
Cash payments to employees for services	(721,194)	(106,223)	(827,417)	-
Cash payments to suppliers for goods or services	(748,880)	(15,988)	(764,868)	(182,400)
Net cash provided by (used in) operating activities	(184,946)	4,139	(180,807)	17,186
Cash flows from non-capital financing activities:				
State grants received	16,600	-	16,600	-
Federal grants received	230,654	-	230,654	-
Net cash provided by non-capital financing activities	247,254	-	247,254	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(131,275)	-	(131,275)	-
Sale of capital assets	1,301	-	1,301	-
Net cash used in capital and related financing activities	(129,974)	-	(129,974)	-
Cash flows from investing activities:				
Interest on investments	7,484	269	7,753	-
Net increase (decrease) in cash and cash equivalents	(60,182)	4,408	(55,774)	17,186
Cash and cash equivalents beginning of year, as restated	516,575	550	517,125	21,303
Cash and cash equivalents end of year	\$ 456,393	\$ 4,958	\$ 461,351	\$ 38,489

WAUKEE COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2005

	School Nutrition	Enterprise Nonmajor - Daycare	Total	Internal Service Flexible Benefits
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (309,469)	\$ 1,081	\$ (308,388)	\$ 17,186
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	79,030	752	79,782	-
Commodities used	54,685	-	54,685	-
Decrease in accounts receivable	635	-	635	-
(Increase) in due from other governments	(429)	(800)	(1,229)	-
(Increase) in inventories	(9,819)	-	(9,819)	-
Increase (decrease) in accounts payable	(3,946)	233	(3,713)	-
Increase in salaries and benefits payable	57	2,873	2,930	-
Increase in deferred revenue	3,935	-	3,935	-
Loss on sale of capital assets	375	-	375	-
Net cash provided by (used in) operating activities	\$ <u>(184,946)</u>	\$ <u>4,139</u>	\$ <u>(180,807)</u>	\$ <u>17,186</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2005, the District received \$54,685 of federal commodities and \$120,440 of capital contributions.

See notes to financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 June 30, 2005

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Cash and pooled investments	\$ 167,554	\$ 7,606
Accounts receivable	-	155
Total assets	167,554	\$ 7,761
Liabilities:		
Other payables	-	\$ 7,761
Net assets:		
Reserved for scholarships	\$ 167,554	

See notes to financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2005

		<u>Private Purpose Trust</u>
		<u>Scholarship</u>
Additions:		
Local sources:		
Gifts and contributions	\$ 6,250	
Interest	5,999	
Total additions		<u>12,249</u>
Deductions:		
Support services:		
Scholarships awarded		<u>6,295</u>
Change in net assets		5,954
Net assets beginning of year		<u>161,600</u>
Net assets end of year	\$	<u><u>167,554</u></u>

See notes to financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 1. Summary of Significant Accounting Policies

Waukee Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Waukee, Iowa, portions of the Cities of West Des Moines, Clive, and Urbandale and the agricultural territory in Dallas County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

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

B. Basis of Presentation

District-wide Financial Statements – The statement of net assets 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. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The statement of net assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

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

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

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management which can be removed or modified.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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 properly included among program revenues are reported instead as general revenues.

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

The District reports the following major governmental funds:

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

The Special Revenue, Physical Plant and Equipment Levy Fund is used to account for the payment of capital and related expenditures for building improvements and certain types of equipment.

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

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

The District reports the following major proprietary fund:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

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

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

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

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

All proprietary funds of the District apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the statement of net assets and the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investments in the Iowa Schools Joint Investment Trust and IPASeducation, which are valued at amortized cost, and non-negotiable certificates of deposit, which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the District-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2003 assessed property valuations; is for the tax accrual period July 1, 2004 through June 30, 2005 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2004.

Interfund Receivables and Payables – During the course of its operations, the District may have certain transactions between funds or pooled cash balances. To the extent that these transactions between funds had not been paid or received as of June 30, 2005, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due From Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and contributed value for government commodities. Inventories of governmental and proprietary funds are recorded as expenses when consumed rather than when purchased or received.

WAUKEE COMMUNITY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2005

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Capital Assets – Capital assets, which include property, furniture, and equipment are reported in the applicable governmental or business-type activities columns in the District-wide statement of net assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 2,500
Buildings	2,500
Improvements other than buildings	2,500
Furniture and equipment:	
School Nutrition Fund Equipment	500
Other furniture and equipment	2,500

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

Asset Class	Estimated Useful Lives
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-20 years

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

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental funds consists of unspent grant proceeds, the succeeding year property tax receivable and other receivables not collected within sixty days after year end. Deferred revenue for proprietary funds and business type activities consists of unearned lunch revenues.

Deferred revenue in the statement of net assets for governmental activities consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the District-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only if they have matured as a result of employee resignations or retirements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2005. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term Liabilities – In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net assets.

Fund Balances – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Invested in capital assets, net of related debt – In the District-wide statement of net assets, the net asset balance invested in capital assets, net of related debt is equal to the capital assets balances, including restricted capital assets, less accumulated depreciation and the outstanding balances of any bonds, notes, or other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets – In the District-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2005, expenditures in the instruction, support services, non-instructional programs and other expenditures functions exceeded the amounts budgeted.

Note 2. Cash and Pooled Investments

As of June 30, 2005 the carrying amount of the District's bank deposits and pooled investments totaled \$9,117,473 with actual bank balances of \$1,367,210 and investment balances of \$7,896,512. Of the bank balances, \$200,000 was covered by federal depository insurance and \$1,167,210 was collateralized by the state sinking fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

WAUKEE COMMUNITY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2005

Note 2. Cash and Pooled Investments (continued)

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District's investments at June 30, 2005 are as follows:

Type	Amortized Cost/ Fair Value
Iowa Schools Joint Investment Trust - Diversified Portfolio	\$ 5,938,263
IPASeducation	1,799,708
Money Market Mutual Fund	8,541
Negotiable Certificates of Deposit	150,000
	\$ 7,896,512

The investments in the Iowa Schools Joint Investment Trust and IPASeducation are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The negotiable certificates of deposit and money market mutual fund are stated at fair value.

Interest rate risk – The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District.

Credit Risk – The investments in the Iowa Schools Joint Investment Trust were rated Aaa by Moody's Investors Service. The investments in IPASeducation and the money market mutual fund are unrated.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2005 is as follows:

Transfer to	Transfer from	Amount
Major Fund: Debt Service	Major Fund: Special Revenue: Physical Plant and Equipment Levy	\$ <u>763,808</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 4. Interfund Receivables and Payables

At June 30, 2005, the interfund receivables and payables consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Fund: General	Nonmajor Fund: Special Revenue: Student Activity	\$ <u>896</u>

The interfund receivable balances are due to timing differences involved in the reimbursement of Student Activity Fund payroll at year end to the General Fund. These balances have been eliminated on the face of the government-wide statement of net assets.

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2005 is as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,707,530	\$ -	\$ -	\$ 2,707,530
Construction in progress	16,467,192	8,207,727	14,461,379	10,213,540
Total capital assets not being depreciated	<u>19,174,722</u>	<u>8,207,727</u>	<u>14,461,379</u>	<u>12,921,070</u>
Capital assets being depreciated:				
Buildings	39,010,274	16,015,640	-	55,025,914
Improvements other than buildings	2,038,256	668,886	-	2,707,142
Furniture and equipment	1,350,739	386,195	116,682	1,620,252
Total capital assets being depreciated	<u>42,399,269</u>	<u>17,070,721</u>	<u>116,682</u>	<u>59,353,308</u>
Less accumulated depreciation for:				
Buildings	5,947,360	1,089,781	-	7,037,141
Improvements other than buildings	1,015,911	91,004	-	1,106,915
Furniture and equipment	662,049	144,662	116,682	690,029
Total accumulated depreciation	<u>7,625,320</u>	<u>1,325,447</u>	<u>116,682</u>	<u>8,834,085</u>
Total capital assets being depreciated, net	<u>34,773,949</u>	<u>15,745,274</u>	<u>-</u>	<u>50,519,223</u>
Governmental activities capital assets, net	<u>\$ 53,948,671</u>	<u>\$ 23,953,001</u>	<u>\$ 14,461,379</u>	<u>\$ 63,440,293</u>

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 5. Capital Assets (continued)

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture and equipment	\$ 715,049	\$ 251,715	\$ 3,350	\$ 963,414
Less accumulated depreciation	<u>337,132</u>	<u>79,782</u>	<u>1,674</u>	<u>415,240</u>
Business-type activities capital assets, net	<u>\$ 377,917</u>	<u>\$ 171,933</u>	<u>\$ 1,676</u>	<u>\$ 548,174</u>

Depreciation expense was charged by the District to the following functions:

Governmental activities:

Instruction:				
Regular				\$ 58,938
Support services:				
Administration				27,048
Operation and maintenance of plant services				17,007
Transportation				9,058
				<u>112,051</u>
Unallocated depreciation				<u>1,213,396</u>
Total governmental activities depreciation expense				<u>\$ 1,325,447</u>

Business-type activities:

Food service operations				\$ 79,030
Daycare operations				<u>752</u>
Total business-type activities depreciation expense				<u>\$ 79,782</u>

WAUKEE COMMUNITY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2005

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2005 is as follows:

	Early Retirement	General Obligation Bonds	Capital Loan Notes	Compensated Absences	Total
Balance beginning of year	\$ -	\$ 52,195,000	\$ 1,425,000	\$ -	\$ 53,620,000
Additions	556,719	11,390,000	-	115,183	12,061,902
Reductions	-	7,640,000	695,000	-	8,335,000
Balance end of year	<u>\$ 556,719</u>	<u>\$ 55,945,000</u>	<u>\$ 730,000</u>	<u>\$ 115,183</u>	<u>\$ 57,346,902</u>
Due within one year	<u>\$ 181,420</u>	<u>\$ 1,500,000</u>	<u>\$ 730,000</u>	<u>\$ 115,183</u>	<u>\$ 2,526,603</u>

Early Retirement

The District offers a voluntary early retirement plan to its employees. Eligible employees must be at least age fifty-five but less than sixty-one years old and employees must have completed ten consecutive years of full time employment service to the District. Employees must complete an application which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee is equal to 30% of the average of the employee's highest three years of salary. In addition, the District will pay an amount equal to the medical insurance single premium of the first year of retirement towards the cost of medical insurance until the employee reaches the age of sixty-five. Early retirement benefits paid during the year ended June 30, 2005, totaled \$124,910. The long-term portion of early retirement is recorded as a long-term liability of the Governmental Activities in the District-wide financial statements.

Bonds Payable

On March 1, 2005, the District issued \$5,965,000 of refunding bonds with interest rates of 3.45% to refund the August 1, 1996 bonds with interest rates from 5.0% to 5.7%. As a result of the refunding, the District will reduce its total debt service requirements over the life of the bonds by \$676,131, which will result in a net present value economic gain of \$640,113.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Bonds Payable (continued)

Details of the District's June 30, 2005 general obligation bonded indebtedness are as follows:

Year Ending June 30,	July 1, 1997 Issue			
	Interest Rates	Principal	Interest	Total
2006	4.75 %	\$ 100,000	\$ 88,048	\$ 188,048
2007	4.80	100,000	83,298	183,298
2008	4.90	105,000	78,498	183,498
2009	5.00	115,000	73,352	188,352
2010	5.10	120,000	67,602	187,602
2011	5.15	130,000	61,482	191,482
2012	5.20	150,000	54,788	204,788
2013	5.25	150,000	46,988	196,988
2014	5.25	165,000	39,112	204,112
2015	5.25	190,000	30,450	220,450
2016	5.25	190,000	20,475	210,475
2017	5.25	200,000	10,500	210,500
Subtotal		1,715,000	654,593	2,369,593

Year Ending June 30,	July 1, 1998 Issue			
	Interest Rates	Principal	Interest	Total
2006	4.50 %	\$ 100,000	\$ 127,930	\$ 227,930
2007	4.50	115,000	123,430	238,430
2008	4.50	115,000	118,255	233,255
2009	4.50	120,000	113,080	233,080
2010	4.55	125,000	107,680	232,680
2011	4.60	115,000	101,992	216,992
2012	4.65	115,000	96,702	211,702
2013	4.65	205,000	91,355	296,355
2014	4.70	230,000	81,822	311,822
2015	4.75	360,000	71,012	431,012
2016	4.75	390,000	53,912	443,912
2017	4.75	260,000	35,388	295,388
2018	4.75	485,000	23,038	508,038
Subtotal		2,735,000	1,145,596	3,880,596

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Bonds Payable (continued)

Year Ending June 30,	June 1, 1999 Issue			
	Interest Rates	Principal	Interest	Total
2006	4.10 %	\$ 50,000	\$ 165,155	\$ 215,155
2007	4.20	50,000	163,105	213,105
2008	4.30	50,000	161,005	211,005
2009	4.40	50,000	158,855	208,855
2010	4.40	50,000	156,655	206,655
2011	4.50	50,000	154,455	204,455
2012	4.50	80,000	152,205	232,205
2013	4.60	375,000	148,605	523,605
2014	4.65	375,000	131,355	506,355
2015	4.70	375,000	113,918	488,918
2016	4.75	375,000	96,292	471,292
2017	4.80	530,000	78,480	608,480
2018	4.80	530,000	53,040	583,040
2019	4.80	575,000	27,600	602,600
Subtotal		3,515,000	1,760,725	5,275,725

Year Ending June 30,	May 1, 2000 Issue			
	Interest Rates	Principal	Interest	Total
2006	5.100 %	\$ 80,000	\$ 234,040	\$ 314,040
2007	5.100	90,000	229,960	319,960
2008	5.100	100,000	225,370	325,370
2009	5.100	105,000	220,270	325,270
2010	5.100	125,000	214,915	339,915
2011	5.100	135,000	208,540	343,540
2012	5.125	110,000	201,655	311,655
2013	5.200	290,000	196,018	486,018
2014	5.250	305,000	180,937	485,937
2015	5.300	190,000	164,925	354,925
2016	5.400	220,000	154,855	374,855
2017	5.400	850,000	142,975	992,975
2018	5.500	860,000	97,075	957,075
2019	5.500	905,000	49,775	954,775
Subtotal		4,365,000	2,521,310	6,886,310

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Bonds Payable (continued)

Year Ending June 30,	March 1, 2001 Issue			
	Interest Rates	Principal	Interest	Total
2006	4.00 %	\$ 110,000	\$ 136,035	\$ 246,035
2007	4.10	115,000	131,635	246,635
2008	4.20	120,000	126,920	246,920
2009	4.30	125,000	121,880	246,880
2010	4.40	130,000	116,505	246,505
2011	4.50	135,000	110,785	245,785
2012	4.60	140,000	104,710	244,710
2013	4.70	145,000	98,270	243,270
2014	4.80	150,000	91,455	241,455
2015	4.85	155,000	84,255	239,255
2016	4.90	160,000	76,738	236,738
2017	4.95	205,000	68,898	273,898
2018	5.00	215,000	58,750	273,750
2019	5.00	415,000	48,000	463,000
2020	5.00	545,000	27,250	572,250
Subtotal		2,865,000	1,402,086	4,267,086

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Bonds Payable (continued)

Year Ending June 30,	April 1, 2002 Issue			
	Interest Rates	Principal	Interest	Total
2006	3.250 %	\$ 180,000	\$ 281,871	\$ 461,871
2007	3.500	185,000	276,021	461,021
2008	3.750	190,000	269,546	459,546
2009	4.000	195,000	262,421	457,421
2010	4.000	200,000	254,621	454,621
2011	4.050	210,000	246,621	456,621
2012	4.150	220,000	238,116	458,116
2013	4.250	230,000	228,986	458,986
2014	4.300	240,000	219,211	459,211
2015	4.400	250,000	208,892	458,892
2016	4.500	260,000	197,891	457,891
2017	4.600	435,000	186,191	621,191
2018	4.625	515,000	166,181	681,181
2019	4.700	750,000	142,363	892,363
2020	4.750	1,050,000	107,113	1,157,113
2021	4.750	1,205,000	57,238	1,262,238
Subtotal		6,315,000	3,343,283	9,658,283

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Bonds Payable (continued)

Year Ending June 30,	November 15, 2002 Issue			
	Interest Rates	Principal	Interest	Total
2006	2.50 %	\$ 540,000	\$ 179,400	\$ 719,400
2007	2.75	530,000	165,900	695,900
2008	3.00	550,000	151,325	701,325
2009	3.00	595,000	134,825	729,825
2010	3.25	640,000	116,975	756,975
2011	3.30	640,000	96,175	736,175
2012	3.40	680,000	75,055	755,055
2013	3.60	100,000	51,935	151,935
2014	3.80	105,000	48,335	153,335
2015	4.00	110,000	44,345	154,345
2016	4.00	115,000	39,945	154,945
2017	4.10	120,000	35,345	155,345
2018	4.20	125,000	30,425	155,425
2019	4.30	130,000	25,175	155,175
2020	4.40	140,000	19,585	159,585
2021	4.50	145,000	13,425	158,425
2022	4.60	150,000	6,900	156,900
Subtotal		5,415,000	1,235,070	6,650,070

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Bonds Payable (continued)

Year Ending June 30,	June 1, 2003 Issue			
	Interest Rates	Principal	Interest	Total
2006	2.00 %	\$ 105,000	\$ 329,033	\$ 434,033
2007	2.25	105,000	326,933	431,933
2008	2.50	105,000	324,570	429,570
2009	2.75	105,000	321,945	426,945
2010	3.00	110,000	319,058	429,058
2011	3.00	110,000	315,758	425,758
2012	3.10	120,000	312,458	432,458
2013	3.25	100,000	308,738	408,738
2014	3.35	100,000	305,488	405,488
2015	3.45	100,000	302,138	402,138
2016	3.55	105,000	298,688	403,688
2017	3.65	105,000	294,960	399,960
2018	3.75	110,000	291,128	401,128
2019	3.85	205,000	287,003	492,003
2020	3.90	1,200,000	279,110	1,479,110
2021	4.00	1,730,000	232,310	1,962,310
2022	4.00	1,915,000	163,110	2,078,110
2023	4.10	2,110,000	86,510	2,196,510
Subtotal		8,540,000	5,098,938	13,638,938

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Bonds Payable (continued)

Year Ending June 30,	June 1, 2004 Issue			
	Interest Rates	Principal	Interest	Total
2006	3.50 %	\$ 110,000	\$ 394,000	\$ 504,000
2007	3.50	110,000	390,150	500,150
2008	3.50	105,000	386,300	491,300
2009	3.50	110,000	382,625	492,625
2010	3.50	115,000	378,775	493,775
2011	3.50	110,000	374,750	484,750
2012	4.00	105,000	370,900	475,900
2013	4.00	100,000	366,700	466,700
2014	4.00	105,000	362,700	467,700
2015	3.80	110,000	358,500	468,500
2016	3.90	115,000	354,320	469,320
2017	4.00	110,000	349,835	459,835
2018	4.10	115,000	345,435	460,435
2019	4.15	120,000	340,720	460,720
2020	4.30	315,000	335,740	650,740
2021	4.40	315,000	322,195	637,195
2022	4.40	1,480,000	308,335	1,788,335
2023	4.40	1,585,000	243,215	1,828,215
2024	4.50	3,855,000	173,475	4,028,475
Subtotal		9,090,000	6,538,670	15,628,670

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Bonds Payable (continued)

Year Ending June 30,	February 1, 2005 Issue			
	Interest Rates	Principal	Interest	Total
2006	4.00 %	\$ 125,000	\$ 273,467	\$ 398,467
2007	4.00	225,000	200,100	425,100
2008	4.00	225,000	191,100	416,100
2009	4.00	225,000	182,100	407,100
2010	4.00	225,000	173,100	398,100
2011	3.25	225,000	164,100	389,100
2012	3.15	300,000	156,788	456,788
2013	3.30	300,000	147,337	447,337
2014	3.40	300,000	137,438	437,438
2015	3.50	300,000	127,237	427,237
2016	3.60	300,000	116,738	416,738
2017	3.70	325,000	105,937	430,937
2018	3.80	325,000	93,913	418,913
2019	3.90	325,000	81,562	406,562
2020	3.95	325,000	68,888	393,888
2021	4.00	325,000	56,050	381,050
2022	4.05	350,000	43,050	393,050
2023	4.10	350,000	28,875	378,875
2024	4.15	350,000	14,525	364,525
Subtotal		5,425,000	2,362,305	7,787,305

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Bonds Payable (continued)

Year Ending June 30,	March 1, 2005 Issue			
	Interest Rates	Principal	Interest	Total
2006	3.45 %	\$ -	\$ 257,241	\$ 257,241
2007	3.45	345,000	205,793	550,793
2008	3.45	520,000	193,890	713,890
2009	3.45	535,000	175,950	710,950
2010	3.45	520,000	157,492	677,492
2011	3.45	575,000	139,553	714,553
2012	3.45	570,000	119,715	689,715
2013	3.45	680,000	100,050	780,050
2014	3.45	705,000	76,590	781,590
2015	3.45	745,000	52,267	797,267
2016	3.45	770,000	26,565	796,565
Subtotal		5,965,000	1,505,106	7,470,106
Total		\$ 55,945,000	\$ 27,567,682	\$ 83,512,682

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 6. Long-Term Liabilities (continued)

Capital Loan Notes

Details of the District's June 30, 2005 capital loan note indebtedness are as follows:

December 1, 1995 Issue				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2006	4.50 %	\$ 170,000	\$ 7,650	\$ 177,650
July 1, 1997 Issue				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2006	4.85 %	\$ 30,000	\$ 1,455	\$ 31,455
August 1, 2000 Issue				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2006	4.90 %	\$ 465,000	\$ 22,785	\$ 487,785
March 1, 2001 Issue				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2006	4.05 %	\$ 65,000	\$ 2,633	\$ 67,633
Total		\$ 730,000	\$ 34,523	\$ 764,523

Note 7. Operating Lease

The District is obligated under equipment leases for two trucks accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and therefore are not included as capital assets or long-term liabilities in the District-wide financial statements. The agreements provide for monthly lease payments of \$815.

WAUKEE COMMUNITY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2005

Note 7. Operating Lease (continued)

The total noncancelable future minimum lease payments under the lease agreements are as follows:

Year Ending June 30,	Amount
2006	\$ 9,779
2007	9,779
2008	9,779
2009	5,197
	\$ 34,534

The total payments under the lease agreements for the year ended June 30, 2005 were \$4,581.

Note 8. Short-Term Debt Activity

During the year ended June 30, 2005, the District entered into a short-term loan from the Capital Projects Fund to the General Fund. The loan was necessary to provide temporary financing during a period of low cash flows. The short-term loan included interest at 1.05%. A summary of the activity for the year ended June 30, 2005 is as follows:

Balance Beginning of Year	Loans Received	Loans Repaid	Balance End of Year
\$ <u> </u> -	\$ <u> 650,000</u>	\$ <u> 650,000</u>	\$ <u> </u> -

Note 9. Pension and Retirement Benefits

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

Plan members are required to contribute 3.70% of their annual covered salary and the District is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2005, 2004, and 2003 were \$893,429, \$755,371, and \$655,911 respectively, equal to the required contributions for each year.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 10. Risk Management

Waukee Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from coverage in the prior year.

Partial Self-Funded Dental Insurance Plan

The District began a partial self-funded dental insurance plan during the year ended June 30, 2005. The plan is administered through a service agreement with Seabury and Smith. The District assumes liability for a maximum of the first \$1,000 of dental claims for each employee who participates in the plan. Employees participating in the plan are charged a premium each year to cover any estimated costs of the plan. The District reported the plan as part of the General Fund for the year ended June 30, 2005. There was no claims liability at June 30, 2005.

A reconciliation of changes in the aggregate liabilities for claims for the current year ended June 30, 2005 is as follows:

Unpaid claims at July 1, 2004	\$ <u> -</u>
Incurred claims	<u> 93,781</u>
Payments:	
Current year events	93,781
Prior year events	<u> -</u>
	<u> 93,781</u>
Unpaid claims at June 30, 2005	\$ <u><u> -</u></u>

Note 11. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$995,297 for the year ended June 30, 2005 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 12. Construction Commitments

The District entered into various contracts totaling \$14,187,729 for construction of an 8/9 school building and an elementary school building as well as other building improvements. At June 30, 2005 \$12,767,866 of the contracts were completed. The remaining amounts of the contracts will be paid as work on the projects progresses.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

Note 13. Contingency

The District has two ongoing lawsuits. The proceedings are still in the litigation stages and the outcomes can not be determined at this time.

Note 14. Restatement of Beginning Balances

The beginning balance of the Flexible Benefits Fund has been reclassified from the Agency Fund to the Internal Service Fund to properly reflect the nature of the fund as shown below:

	Fiduciary Agency Fund	Proprietary Internal Service Fund	Governmental Activities Net Assets
	<u> </u>	<u> </u>	<u> </u>
Beginning fund balance, or total assets, as previously reported	\$ 27,156	\$ -	\$ 7,924,027
Amount reclassified to Internal Service Fund	<u>(21,303)</u>	<u>21,303</u>	<u>21,303</u>
Beginning fund balance, or total assets, as restated	<u>\$ 5,853</u>	<u>\$ 21,303</u>	<u>\$ 7,945,330</u>

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REQUIRED SUPPLEMENTARY INFORMATION

WAUKEE COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances –
 Budget and Actual (Accrual Basis) – All Governmental Funds
 and Proprietary Funds
 Required Supplementary Information
 Year Ended June 30, 2005

	Governmental Funds - Actual	Proprietary Funds - Enterprise - Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance
REVENUES:					
Local sources	\$ 21,285,221	\$ 1,536,330	\$ 22,821,551	\$ 19,393,805	\$ 3,427,746
State sources	13,424,393	16,600	13,440,993	13,178,103	262,890
Federal sources	407,377	285,339	692,716	375,000	317,716
Total revenues	35,116,991	1,838,269	36,955,260	32,946,908	4,008,352
EXPENDITURES:					
Instruction	17,003,329	-	17,003,329	16,419,579	(583,750)
Support services	8,232,062	-	8,232,062	7,902,033	(330,029)
Non-instructional programs	-	1,716,525	1,716,525	1,500,000	(216,525)
Other expenditures	23,336,666	-	23,336,666	16,855,068	(6,481,598)
Total expenditures	48,572,057	1,716,525	50,288,582	42,676,680	(7,611,902)
Excess (deficiency) of revenues over (under) expenditures	(13,455,066)	121,744	(13,333,322)	(9,729,772)	(3,603,550)
Other financing sources, net	11,440,164	-	11,440,164	5,425,000	6,015,164
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(2,014,902)	121,744	(1,893,158)	(4,304,772)	2,411,614
Balance beginning of year	7,794,624	885,962	8,680,586	10,238,310	(1,557,724)
Balance end of year	\$ <u>5,779,722</u>	\$ <u>1,007,706</u>	\$ <u>6,787,428</u>	\$ <u>5,933,538</u>	\$ <u>853,890</u>

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

June 30, 2005

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, private-purpose trust, and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the modified accrual basis. Encumbrances are not recognized on the budget and appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2005, expenditures in the instruction, support services, non-instructional programs and other expenditures functions exceeded the amounts budgeted.

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OTHER SUPPLEMENTARY INFORMATION

WAUKEE COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2005

	Special Revenue		Total
	Management Levy	Student Activity	
Assets			
Cash and pooled investments	\$ 25,851	\$ 248,605	\$ 274,456
Receivables:			
Property tax:			
Current year	1,381	-	1,381
Succeeding year	360,286	-	360,286
Accounts	-	7,079	7,079
Total assets	\$ 387,518	\$ 255,684	\$ 643,202
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ -	\$ 22,475	\$ 22,475
Interfund payable	-	896	896
Deferred revenue:			
Succeeding year property tax	360,286	-	360,286
Total liabilities	360,286	23,371	383,657
Fund equity:			
Fund balances:			
Unreserved:			
Undesignated	27,232	232,313	259,545
Total liabilities and fund equity	\$ 387,518	\$ 255,684	\$ 643,202

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2005

	Special Revenue		Total
	Management Levy	Student Activity	
Revenues:			
Local sources:			
Local tax	\$ 300,312	\$ -	\$ 300,312
Other	1,857	687,207	689,064
State sources	75	-	75
Total revenues	302,244	687,207	989,451
Expenditures:			
Current:			
Instruction:			
Regular instruction	262,739	-	262,739
Other instruction	-	689,526	689,526
Support services:			
Student services	10,602	-	10,602
Instructional staff services	9,224	-	9,224
Administration services	35,901	-	35,901
Operation and maintenance of plant services	17,726	-	17,726
Total expenditures	336,192	689,526	1,025,718
Deficiency of revenues under expenditures	(33,948)	(2,319)	(36,267)
Fund balances beginning of year	61,180	234,632	295,812
Fund balances end of year	\$ 27,232	\$ 232,313	\$ 259,545

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2005

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
High School:				
Ambassadors	\$ 90	\$ -	\$ 12	\$ 78
Annual	17,475	29,055	26,672	19,858
Art Club	41	897	471	467
Athletics	7,578	257,245	256,085	8,738
Auditorium	180	-	-	180
Band Resale	(1,420)	6,352	6,444	(1,512)
Baseball	138	8,194	8,505	(173)
Baseball/Softball Facility	12,675	15,942	20,250	8,367
Best Buddies	-	669	620	49
Boys Basketball	(1,470)	21,306	21,529	(1,693)
Boys Golf	1,028	-	150	878
Boys Soccer	1,070	2,825	3,760	135
Boys Track	1,191	2,802	3,463	530
Boys Cross Country	51	-	46	5
Candy Machine	1,943	368	2,311	-
Cheerleaders	(229)	17,701	16,179	1,293
Class of 2003	746	-	-	746
Class of 2004	6,172	(10)	5,960	202
Class of 2005	7,214	1,990	6,262	2,942
Class of 2006	4,016	6,161	7,542	2,635
Class of 2007	3,617	3,795	1,200	6,212
Class of 2008	-	3,030	-	3,030
Concessions	3,500	619	4,119	-
Dance/Drill Team	28	7,132	5,383	1,777
Dawson Memorial	162	-	162	-
Drama	-	2,159	3,624	(1,465)
Drumline	73	-	-	73
Electrathon	192	250	298	144
Flag Team/Color Guard	(372)	1,541	943	226
Football	2,394	26,601	32,020	(3,025)
Foreign Language Club	3,239	1,830	4,020	1,049
German/International Club	874	2,013	2,172	715
Girls Basketball	3,378	5,323	8,979	(278)
Girls Golf	1,144	415	1,231	328
Girls Soccer	246	9,015	8,322	939
Girls Track	472	1,432	2,458	(554)
Girls Cross Country	58	2,540	1,214	1,384
HS Musical	10,072	7,701	9,131	8,642
HS Improvement	3,874	2,978	54	6,798
Industrial Arts	(368)	3,125	2,422	335

WAUKEE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2005

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
High School (continued):				
Interest	\$ 11,556	\$ 3,677	\$ 9,523	\$ 5,710
Pep Club	436	462	485	413
SADD	420	-	335	85
SELF Room	1,512	1,929	1,190	2,251
Skills USA	672	-	-	672
Softball	1,247	6,895	6,201	1,941
Speech	2,450	4,995	2,509	4,936
Student Council	4,782	7,744	10,057	2,469
Swing Choir	1,485	-	-	1,485
TPRS World Lang	(159)	150	(9)	-
Vocal Music	4,779	22,614	18,516	8,877
Volleyball	2,984	13,823	12,169	4,638
Weight Room	3,109	3,160	2,546	3,723
Wrestling	(248)	12,601	9,052	3,301
Youth for Safe Schools	500	156	276	380
Prairieview:				
Athletic Resale	-	10,619	6,632	3,987
Band Resale	-	3,092	2,950	142
Concessions	-	292	-	292
Dance Team	-	3,246	1,337	1,909
Improvement Fund	-	7,834	554	7,280
Ind Tech	-	84	-	84
Student Council	-	1,376	470	906
Swing Choir	-	-	(1,232)	1,232
Yearbook	-	10,322	6,288	4,034
Middle School:				
6th Grade	135	480	499	116
7th Grade	79	-	-	79
8th Grade	204	-	-	204
Athletic Resale	5,437	8,700	9,814	4,323
Band	1,110	3,509	3,451	1,168
Concessions	10,410	3,463	1,662	12,211
Drama/Speech/Musical	3,212	1,438	817	3,833
Home Ec Resale	18	2,260	2,303	(25)
Improvement Fund	8,063	49,403	41,223	16,243
MS SELF	278	661	434	505
Student Council	3,106	3,582	4,840	1,848
Swing Choir	2,465	2,993	3,571	1,887
Yearbook	2,145	6,650	7,972	823

WAUKEE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2005

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Elementary:				
BV Band	\$ 185	\$ 172	\$ 268	\$ 89
BV Improvement	10,262	4,582	2,954	11,890
BV Student Council	2,090	2,221	1,725	2,586
Eason Band Resale	300	-	-	300
Eason Fine Arts	282	-	-	282
Eason Improvement	10,931	12,223	15,500	7,654
Eason Playground Project	2,872	-	-	2,872
Eason Student Council	1,920	310	-	2,230
WE Band Resale	62	137	33	166
WE Fine Art	165	-	-	165
WE Improvement	13,686	20,525	11,027	23,184
WE Playground	24,148	-	21,438	2,710
WE Student Council	4,470	546	848	4,168
Intrafund Transfers	-	(4,715)	(4,715)	-
Total	<u>\$ 234,632</u>	<u>\$ 687,207</u>	<u>\$ 689,526</u>	<u>\$ 232,313</u>

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUND
 Year Ended June 30, 2005

	Balance Beginning of Year, as Restated	Additions	Deductions	Balance End of Year
Assets				
Cash	\$ 5,647	\$ 3,086	\$ 1,127	\$ 7,606
Accounts receivable	206	155	206	155
Total assets	\$ 5,853	\$ 3,241	\$ 1,333	\$ 7,761
Liabilities				
Accounts payable	\$ 106	\$ -	\$ 106	\$ -
Other payables	5,747	3,241	1,227	7,761
Total liabilities	\$ 5,853	\$ 3,241	\$ 1,333	\$ 7,761

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS
FOR THE LAST FOUR YEARS

	Modified Accrual Basis Years Ended June 30,			
	2005	2004	2003	2002
Revenues:				
Local sources:				
Local tax	\$ 18,724,901	\$ 14,220,453	\$ 12,501,101	\$ 10,511,087
Tuition	1,176,813	1,258,916	1,274,538	951,858
Other	1,383,507	914,311	959,469	1,203,985
State sources	13,424,393	10,926,968	9,691,405	8,327,266
Federal sources	407,377	254,243	207,125	211,068
	<hr/>			
Total revenues	<u>\$ 35,116,991</u>	<u>\$ 27,574,891</u>	<u>\$ 24,633,638</u>	<u>\$ 21,205,264</u>
Expenditures:				
Instruction:				
Regular instruction	\$ 12,045,774	\$ 10,074,061	\$ 9,180,177	\$ 8,343,873
Special instruction	3,061,467	2,679,023	2,303,872	2,075,696
Other instruction	1,896,088	1,443,770	1,354,138	1,241,953
Support services:				
Student services	1,274,069	983,108	927,615	824,065
Instructional staff services	1,475,734	1,331,528	604,992	433,723
Administration services	2,270,519	1,965,351	1,515,229	1,431,842
Operation and maintenance of plant services	2,114,247	1,584,289	1,567,336	1,265,887
Transportation services	1,097,493	874,909	762,357	672,081
Non-instructional programs	-	369	352	6,627
Other expenditures:				
Facilities acquisition	11,528,812	16,567,624	5,343,943	3,069,331
Long-term debt:				
Principal	8,335,000	2,290,000	2,090,000	1,925,000
Interest	2,391,214	2,082,149	1,900,449	1,676,867
Fiscal charges	86,343	96,130	-	-
AEA flowthrough	995,297	823,781	770,245	662,430
	<hr/>			
Total expenditures	<u>\$ 48,572,057</u>	<u>\$ 42,796,092</u>	<u>\$ 28,320,705</u>	<u>\$ 23,629,375</u>

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2005

Grantor / Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Food Donation (non-cash)	10.550	FY 05	\$ <u>54,685</u>
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 05	27,860
National School Lunch Program	10.555	FY 05	<u>202,794</u>
			<u>230,654</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	6822G	91,587
Title 1 Grants to Local Educational Agencies	84.010	6822GC	<u>2,714</u>
			<u>94,301</u>
Grants for State Assessments and Related Activities	84.369	FY 05	<u>21,630</u>
Improving Teacher Quality State Grants	84.367	FY 05	<u>51,531</u>
State Grants for Innovative Programs	84.298	FY 05	<u>14,501</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY 05	<u>9,834</u>
Heartland Area Education Agency:			
Special Education - Grants to States	84.027	FY 05	<u>168,701</u>
Dallas Center-Grimes Community School District:			
Vocational Education - Basic Grants to States	84.048	FY 05	<u>46,879</u>
Total			\$ <u><u>692,716</u></u>

Basis of Presentation –

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Waukee Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

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

To the Board of Education of
Waukee Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Waukee Community School District as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated September 23, 2005. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Waukee Community School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waukee Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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. However, we noted certain immaterial instances of noncompliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about Waukee Community School District's operations for the year ended June 30, 2005 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Waukee Community School District and other parties to whom Waukee Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Waukee Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Oskaloosa, Iowa
September 23, 2005

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

To the Board of Education of
Waukee Community School District:

Compliance

We have audited the compliance of Waukee Community School District with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. Waukee Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Waukee Community School District's management. Our responsibility is to express an opinion on Waukee Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U. S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Waukee Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Waukee Community School District's compliance with those requirements.

In our opinion, Waukee Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Waukee Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Waukee Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Waukee Community School District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grant agreements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts and grant agreements caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Waukee Community School District and other parties to whom Waukee Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Oskaloosa, Iowa
September 23, 2005

WAUKEE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

Part I: Summary of the Independent Auditor's Results:

- (a) An unqualified opinion was issued on the financial statements.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 84.010 – Title I Grants to Local Educational Agencies
 - CFDA Number 84.367 – Improving Teacher Quality State Grants
 - Clustered programs:
 - CFDA Number 10.553 – School Breakfast Program
 - CFDA Number 10.555 – National School Lunch Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Waukee Community School District did not qualify a low-risk auditee.

WAUKEE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

Part II: Findings Related to the General Purpose Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Reportable Conditions:

II-A-05 Disbursements – Out of forty disbursements tested, one was not supported by an invoice or receipt. It was only supported by a motel confirmation.

Recommendation – All disbursements should be adequately supported by an invoice, receipt or other written documentation.

Response – This disbursement was an isolated instance. We will make sure that all future disbursements are properly supported.

Conclusion – Response accepted.

II-B-05 Fundraisers – Supporting documentation for fundraiser income is being kept by individual activity club sponsors. There are no set procedures in place to review this information for completeness and accuracy other than review by the activity sponsor, who is also responsible for the initial collection of fundraising income.

Recommendation – The District should develop some type of summary form and procedures which would include reviewing supporting documentation for fundraisers in order to account for the completeness and accuracy of revenues recorded. For example, you could have the activity sponsor summarize budgeted, expected, and actual results on a spreadsheet which can be compared to actual fundraising receipts recorded once the fundraiser is completed. Any revenues short or long can then be explained on the form. This form should be reviewed and initialed by either the Activity Director, Principal, or Secretary as applicable. Whoever is reviewing these fundraiser summary forms should also verify in detail the information on a couple of forms each year. This can be done by tracing the information on the form to the supporting documentation kept by the activity sponsor i.e. sales sheets, order forms, etc. We realize verifying every fundraiser would be time consuming so not every fundraiser needs to be verified in detail. Checking a few each year will let the activity sponsors realize that someone may be reviewing their records.

Response – We will review our procedures regarding fundraising activities and change our procedures as we deem necessary.

Conclusion – Response accepted.

WAUKEE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

Part II: Findings Related to the General Purpose Financial Statements (continued):

Reportable Conditions (continued):

- II-C-05 Deposits to Bank Account – We noted that athletic gate receipts in the Special Revenue, Student Activity Fund were not always deposited to the bank in a timely manner.

Recommendation – All receipts should be deposited as soon as possible to safeguard the asset and avoid any possible irregularities and to earn the interest revenue on the public funds. Deposits should be made weekly at a minimum, if daily deposits are not possible.

Response – We will make sure deposits are made on a more timely basis.

Conclusion – Response accepted.

- II-D-05 Netting of Revenues and Expenditures – We noted one receipt that was posted against an expenditure account.

Recommendation – This practice understates both revenues and expenditures. The District should avoid netting a revenue against an expenditure except in limited circumstances such as a sales tax refund which occurs in the same fiscal year as the expenditure it applies to or similar revenue.

Response – This was an isolated situation involving an insurance claim. We will properly record all revenues in the future.

Conclusion – Response accepted.

WAUKEE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Reportable Conditions:

No matters were reported.

WAUKEE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

Part IV: Other Findings Related to Statutory Reporting:

IV-A-05 Official Depositories – Official depositories have been approved by the District. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2005.

IV-B-05 Certified Budget – Expenditures for the year ended June 30, 2005, exceeded the amounts budgeted in the instruction, support services, non-instructional programs and other expenditures functions.

Recommendation – The budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response – We will amend our budget before expenditures exceed the budget.

Conclusion – Response accepted.

IV-C-05 Questionable Expenditures – No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

IV-D-05 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-E-05 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Mary Sullivan, Joshua Heyers and Ben Schulte, Teachers Owners of Exterior Craftsman	Fencing and building projects	\$13,504

In accordance with an Attorney General’s opinion dated November 9, 1976, the transaction does not appear to represent a conflict of interest.

IV-F-05 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 insure that the coverage is adequate for current operations.

IV-G-05 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-H-05 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.

IV-I-05 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.

WAUKEE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

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

- IV-J-05 Certified Annual Report – The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-K-05 National School Lunch Program – We noted during the course of our audit small differences between actual meals served and meals claimed for reimbursement for the month of September, 2004. Total projected questioned costs for the year equal \$291 of which \$289 is from federal reimbursements and \$2 is from state reimbursements.
- Recommendation – The National School Lunch program reimbursement is based on actual counts of meals served. The District should compare the daily totals to the monthly summaries to ensure the accuracy of meals claimed. The District should contact the Department of Education to settle the amount overclaimed.
- Response – We will tie the monthly summaries to the daily totals to make sure the number of meals claimed is accurate.
- Conclusion – Response accepted.
- IV-L-05 Financial Condition – We noted that the Special Revenue, Student Activity Fund had several deficit balances within the group of single activity accounts.
- Recommendation – The District needs to monitor the activity accounts more closely and investigate alternatives to eliminate the deficit balances.
- Response – The Board is aware of the condition and is making strides to eliminate deficit accounts.
- Conclusion – Response accepted.
- IV-M-05 Student Activity Fund – We noted transactions being recorded through the Special Revenue, Student Activity Fund such as resale accounts and building improvement accounts that would more appropriately be accounted for in the General Fund or Trust Funds.
- Recommendation – The Student Activity Fund is to be used to account for money received from student related activities such as admissions, activity fees, student dues, student fundraising events, or other student related cocurricular activities as stated in the administrative rules of the Department of Education.
- Response – We will review these accounts and transfer items to more appropriate funds.
- Conclusion – Response accepted.

WAUKEE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

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

IV-N-05 Self-funded Dental Insurance Plan – We noted that the partial self-funded dental insurance plan transactions were recorded through a General Fund balance sheet account.

Recommendation – The self-funded dental insurance plan should be moved out of the General Fund into its own Proprietary, Internal Service Fund.

Response – We will move the self-funded dental insurance plan from the General Fund into its own Internal Service Fund.

Conclusion – Response accepted.

STATISTICAL SECTION

WAUKEE COMMUNITY SCHOOL DISTRICT

SUMMARIZED COMPARISON OF LOCAL AND INTERGOVERNMENTAL REVENUES

Last Ten Fiscal Years
(Unaudited)

	Year Ended June 30,			
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Local:				
General and Special Revenue Funds	\$ 14,255,091	\$ 12,136,114	\$ 11,479,225	\$ 9,390,505
Debt Service and Capital Projects Funds	7,030,130	4,257,566	3,255,883	3,277,284
	<u>21,285,221</u>	<u>16,393,680</u>	<u>14,735,108</u>	<u>12,667,789</u>
State Sources	<u>13,424,393</u>	<u>10,926,968</u>	<u>9,691,405</u>	<u>8,326,407</u>
Federal Sources	<u>407,377</u>	<u>254,243</u>	<u>207,125</u>	<u>211,068</u>
Totals	<u>\$ 35,116,991</u>	<u>\$ 27,574,891</u>	<u>\$ 24,633,638</u>	<u>\$ 21,205,264</u>

Source: District records

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$	7,813,067	\$ 6,973,173	\$ 5,942,738	\$ 5,122,103	\$ 4,470,576	\$ 4,375,744
	<u>3,123,907</u>	<u>2,346,790</u>	<u>1,642,352</u>	<u>1,492,412</u>	<u>1,394,574</u>	<u>704,646</u>
	<u>10,936,974</u>	<u>9,319,963</u>	<u>7,585,090</u>	<u>6,614,515</u>	<u>5,865,150</u>	<u>5,080,390</u>
	<u>7,188,098</u>	<u>6,593,640</u>	<u>5,232,474</u>	<u>4,681,170</u>	<u>4,280,023</u>	<u>2,988,914</u>
	<u>123,955</u>	<u>97,274</u>	<u>68,096</u>	<u>68,002</u>	<u>49,411</u>	<u>39,799</u>
\$	<u><u>18,249,027</u></u>	<u><u>16,010,877</u></u>	<u><u>12,885,660</u></u>	<u><u>11,363,687</u></u>	<u><u>10,194,584</u></u>	<u><u>8,109,103</u></u>

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL FUND REVENUES, BY SOURCE

Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	Local		State	Federal	Total
	Taxes	Miscellaneous			
2005	\$ 9,993,328	\$ 1,599,569	\$ 13,422,857	\$ 407,377	\$ 25,423,131
2004	8,349,264	1,570,546	10,925,564	254,243	21,099,617
2003	7,866,729	1,600,125	9,690,094	207,125	19,364,073
2002	6,385,468	1,292,631	8,326,003	211,068	16,215,170
2001	5,312,002	1,040,571	7,177,234	123,955	13,653,762
2000	4,828,889	991,394	6,587,414	97,274	12,504,971
1999	4,410,095	837,260	5,230,494	68,096	10,545,945
1998	3,802,567	710,480	4,680,277	68,002	9,261,326
1997	3,443,823	521,991	4,278,912	49,411	8,294,137
1996	3,449,462	404,088	2,988,717	39,799	6,882,066

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
GENERAL FUND EXPENDITURES, BY PROGRAM

Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	Instruction	Support Services	Non- Instructional Programs	Other Expenditures	Total
2005	\$ 16,051,064	\$ 8,115,572	\$ -	\$ 995,297	\$ 25,161,933
2004	13,601,413	6,696,419	369	823,781	21,121,982
2003	12,339,194	5,228,519	-	770,245	18,337,958
2002	11,156,200	4,530,756	-	662,430	16,349,386
2001	9,404,186	4,291,717	-	583,993	14,279,896
2000	7,825,779	3,894,325	-	500,313	12,220,417
1999	6,805,818	3,304,633	-	438,740	10,549,191
1998	5,844,014	2,852,106	-	388,747	9,084,867
1997	5,350,045	2,239,731	-	354,820	7,944,596
1996	4,561,781	1,729,265	-	260,845	6,551,891

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(Unaudited)

<u>Property Tax Levies</u>					
Collection Year	General Fund	Management	Debt Service	PEEL	Total
2005	\$ 9,978,351	\$ 300,000	\$ 4,030,904	\$ 1,662,167	\$ 15,971,422
2004	8,362,946	180,000	3,649,603	1,505,078	13,697,627
2003	7,874,784	165,000	3,094,666	1,367,044	12,501,494
2002	6,386,307	140,000	2,817,647	1,165,426	10,509,380
2001	5,267,646	120,000	2,341,461	965,491	8,694,598
2000	4,942,602	90,000	2,033,072	705,204	7,770,878
1999	4,383,257	80,000	1,521,300	357,361	6,341,918
1998	3,827,284	40,000	1,412,736	314,587	5,594,607
1997	3,711,067	25,000	1,162,893	294,752	5,193,712
1996	3,451,237	75,000	660,663	272,022	4,458,922

<u>Property Tax Collections</u>					
2005	9,973,356	299,712	4,024,352	1,661,063	15,958,483
2004	8,349,264	179,706	3,639,048	1,500,730	13,668,748
2003	7,866,729	165,496	3,093,356	1,375,520	12,501,101
2002	6,385,468	140,125	2,819,360	1,166,134	10,511,087
2001	5,312,002	121,008	2,341,268	965,411	8,739,689
2000	4,828,889	90,212	2,036,661	706,862	7,662,624
1999	4,410,095	80,547	1,525,021	359,811	6,375,474
1998	3,802,567	40,136	1,416,637	315,659	5,574,999
1997	3,443,823	24,895	1,158,077	293,503	4,920,298
1996	3,449,462	75,067	660,627	271,854	4,457,010

<u>Percentage Collected</u>					
2005	99.95 %	99.90 %	99.84 %	99.93 %	99.92 %
2004	99.84	99.84	99.71	99.71	99.79
2003	99.90	100.30	99.96	100.62	100.00
2002	99.99	100.09	100.06	100.06	100.02
2001	100.84	100.84	99.99	99.99	100.52
2000	97.70	100.24	100.18	100.24	98.61
1999	100.61	100.68	100.24	100.69	100.53
1998	99.35	100.34	100.28	100.34	99.65
1997	92.80	99.58	99.59	99.58	94.74
1996	99.95	100.09	99.99	99.94	99.96

Source: District records

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WAUKEE COMMUNITY SCHOOL DISTRICT
TAXABLE AND 100% VALUES OF TAXABLE PROPERTY

Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	Real Property		Personal Property	
		Taxable	100% Value	Taxable	100% Value
2003	2004-05	\$ 973,280,228	\$ 1,558,524,097	\$ -	\$ -
2002	2003-04	879,210,841	1,345,520,461	-	-
2001	2002-03	800,649,806	1,217,989,973	742,846	742,846
2000	2001-02	672,278,192	975,065,887	6,503,826	6,503,826
1999	2000-01	555,403,963	826,165,160	7,654,857	7,654,857
1998	1999-00	477,596,640	693,246,007	8,430,119	8,430,119
1997	1998-99	408,170,193	612,369,624	10,398,704	10,398,704
1996	1997-98	355,638,724	495,890,652	10,498,240	10,498,240
1995	1996-97	322,761,711	449,323,731	10,499,686	10,499,686
1994	1995-96	261,445,678	333,503,466	10,510,459	10,510,459

Gas and Electric was broken out of total utilities in fiscal year 2000 due to change in state law
 Gas and Electric is no longer subject to property tax, but instead pay utility replacement tax
 Includes Tax Increment Financing Valuations

Source: County Auditor's Office

Railroads & Utilities w/o Gas & Electric		Gas & Electric		Total		Ratio of Total Taxable Value to 100% Value
Taxable	100% Value	Taxable	100% Value	Taxable	100% Value	
\$ 14,464,885	\$ 14,464,885	\$ 7,564,751	\$ 7,564,751	\$ 995,309,864	\$ 1,580,553,733	62.97 %
14,515,487	14,515,487	7,517,646	7,517,646	901,243,974	1,367,553,594	65.90
15,058,875	15,106,417	7,526,984	7,526,984	823,978,511	1,241,366,220	66.38
11,519,941	11,519,941	7,557,884	7,557,884	697,859,843	1,000,647,538	69.74
15,100,018	15,100,018	-	-	578,158,838	848,920,035	68.11
15,966,459	15,966,459	-	-	501,993,218	717,642,585	69.95
17,249,249	17,249,249	-	-	435,818,146	640,017,577	68.09
16,023,970	16,023,970	-	-	382,160,934	522,412,862	73.15
14,499,686	14,499,686	-	-	347,761,083	474,323,103	73.32
14,350,063	14,350,063	-	-	286,306,200	358,363,988	79.89

WAUKEE COMMUNITY SCHOOL DISTRICT

PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION), DIRECT AND OVERLAPPING
GOVERNMENTS
Last Ten Fiscal Years
(Unaudited)

City of Waukee

Levy Year	Collection Year	Dallas County	Dalls Co. Hospital	State	Area XI Community College	City	Special	Waukee CSD	Total	Ratio WCSD to Total
2003	2004-05	\$ 6.11761	\$ 0.74992	\$ 0.00400	\$ 0.59856	\$ 13.50039	\$ -	\$ 17.89346	\$ 38.86394	46.041 %
2002	2003-04	6.22792	0.78378	0.00400	0.58184	13.50010	-	17.66440	38.76204	45.571
2001	2002-03	6.27223	0.85556	0.00500	0.54584	13.50032	-	17.66350	38.84245	45.475
2000	2001-02	6.26865	0.85556	0.00500	0.54454	13.50000	-	17.47522	38.64897	45.215
1999	2000-01	6.07606	0.61980	0.00500	0.54506	13.50000	-	17.49678	38.24270	45.752
1998	1999-00	6.70965	0.61981	0.00500	0.52451	14.24965	-	17.63776	39.74638	44.376
1997	1998-99	6.69435	0.61980	0.00500	0.50551	11.54002	-	16.98053	36.34521	46.720
1996	1997-98							16.98924	16.98924	100.000
1995	1996-97							16.99111	16.99111	100.000
1994	1995-96							16.27380	16.27380	100.000

City of Clive

2003	2004-05	\$ 6.11761	\$ 0.74992	\$ 0.00400	\$ 0.59856	\$ 8.82714	\$ -	\$ 17.89346	\$ 34.19069	52.334 %
2002	2003-04	6.22792	0.78378	0.00400	0.58184	8.92149	-	17.66440	34.18343	51.675
2001	2002-03	6.27223	0.85556	0.00500	0.54584	8.96811	-	17.66350	34.31024	51.482
2000	2001-02	6.26865	0.85556	0.00500	0.54454	8.45221	-	17.47522	33.60118	52.008
1999	2000-01	6.07606	0.61980	0.00500	0.54506	7.91104	-	17.49678	32.65374	53.583
1998	1999-00	6.70965	0.61981	0.00500	0.52451	7.91330	-	17.63776	33.41003	52.792
1997	1998-99	6.69435	0.61980	0.00500	0.50551	7.70014	-	16.98053	32.50533	52.239
1996	1997-98							16.98924	16.98924	100.000
1995	1996-97							16.99111	16.99111	100.000
1994	1995-96							16.27380	16.27380	100.000

City of Grimes

2003	2004-05	\$ 6.11761	\$ 0.74992	\$ 0.00400	\$ 0.59856	\$ 12.84260	\$ -	\$ 17.89346	\$ 38.20615	46.834 %
2002	2003-04	6.22792	0.78378	0.00400	0.58184	12.82394	-	17.66440	38.08588	46.380
2001	2002-03	6.27223	0.85556	0.00500	0.54584	12.76837	-	17.66350	38.11050	46.348
2000	2001-02	6.26865	0.85556	0.00500	0.54454	11.72852	-	17.47522	36.87749	47.387
1999	2000-01	6.07606	0.61980	0.00500	0.54506	11.61255	-	17.49678	36.35525	48.127
1998	1999-00	6.70965	0.61981	0.00500	0.52451	11.61165	-	17.63776	37.10838	47.530
1997	1998-99	6.69435	0.61980	0.00500	0.50551	12.27467	-	16.98053	37.07986	45.794
1996	1997-98							16.98924	16.98924	100.000
1995	1996-97							16.99111	16.99111	100.000
1994	1995-96							16.27380	16.27380	100.000

Note: Levy breakdown not available for levy years 1994-1996.

Source: County Auditor's Office

City of Urbandale

Levy Year	Collection Year	Dallas County	Dalls Co. Hospital	State	Area XI Community College	City	Special	Waukee CSD	Total	Ratio WCSD to Total
2003	2004-05	\$ 6.11761	\$ 0.74992	\$ 0.00400	\$ 0.59856	\$ 9.07306	\$ 0.41222	\$ 17.89346	\$ 34.84883	51.346 %
2002	2003-04	6.22792	0.78378	0.00400	0.58184	9.07000	0.42528	17.66440	34.75722	50.822
2001	2002-03	6.27223	0.85556	0.00500	0.54584	8.97000	0.41734	17.66350	34.72947	50.860
2000	2001-02	6.26865	0.85556	0.00500	0.54454	8.96096	0.35432	17.47522	34.46425	50.705
1999	2000-01	6.07606	0.61980	0.00500	0.54506	8.97000	0.39163	17.49678	34.10433	51.304
1998	1999-00	6.70965	0.61981	0.00500	0.52451	8.83994	0.42847	17.63776	34.76514	50.734
1997	1998-99	6.69435	0.61980	0.00500	0.50551	8.49000	0.45088	16.98053	33.74607	50.319
1996	1997-98							16.98924	16.98924	100.000
1995	1996-97							16.99111	16.99111	100.000
1994	1995-96							16.27380	16.27380	100.000

City of West Des Moines

2003	2004-05	\$ 6.11761	\$ 0.74992	\$ 0.00400	\$ 0.59856	\$ 11.72777	\$ -	\$ 17.89346	\$ 37.09132	48.242 %
2002	2003-04	6.22792	0.78378	0.00400	0.58184	11.60021	-	17.66440	36.86215	47.920
2001	2002-03	6.27223	0.85556	0.00500	0.54584	11.60003	-	17.66350	36.94216	47.814
2000	2001-02	6.26865	0.85556	0.00500	0.54454	10.90002	-	17.47522	36.04899	48.476
1999	2000-01	6.07606	0.61980	0.00500	0.54506	10.90000	-	17.49678	35.64270	49.089
1998	1999-00	6.70965	0.61981	0.00500	0.52451	10.89994	-	17.63776	36.39667	48.460
1997	1998-99	6.69435	0.61980	0.00500	0.50551	10.90000	-	16.98053	35.70519	47.558
1996	1997-98							16.98924	16.98924	100.000
1995	1996-97							16.99111	16.99111	100.000
1994	1995-96							16.27380	16.27380	100.000

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARATIVE RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE
AND BONDED DEBT PER CAPITA

Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year of Collection</u>	<u>Population*</u>	<u>100% Actual Value</u>	<u>Legal Debt Limit (5%)</u>	<u>Indebtedness</u>	<u>Debt to 100% Actual Value</u>	<u>Debt per Capita</u>
2004-05	22,428	\$ 1,580,553,733	\$ 79,027,687	\$ 56,675,000	3.59 %	\$ 2,527
2003-04	15,500	1,367,553,594	68,377,680	52,195,000	3.82	3,367
2002-03	14,607	1,241,366,220	62,068,311	44,640,000	3.60	3,056
2001-02	13,780	1,000,647,538	50,032,377	35,060,000	3.50	2,544
2000-01	13,000	848,920,035	42,446,002	29,375,000	3.46	2,260
1999-00	12,264	717,642,585	35,882,129	26,790,000	3.73	2,184
1998-99	11,570	640,017,577	32,000,879	23,000,000	3.59	1,988
1997-98	10,518	522,412,862	26,120,643	16,475,000	3.15	1,566
1996-97	10,337	474,323,103	23,716,155	14,735,000	3.11	1,425
1995-96	10,159	358,363,988	17,918,199	6,590,000	1.84	649

* District populations estimated from 2000 Census

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
COMPUTATION OF OVERLAPPING AND DIRECT DEBT

June 30, 2005
(Unaudited)

	<u>Taxable Valuation</u>	<u>Percent in District</u>	<u>G. O. Debt</u>	<u>Waukee CSD Share of the Debt</u>
Dallas County	\$ 2,131,288,949	54.92 %	\$ 9,160,000	\$ 5,030,672
City of Waukee	289,196,840	100.00	13,620,000	13,620,000
City of Clive	961,516,281	15.74	19,735,000	3,106,289
City of Grimes	214,647,963	0.02	6,705,000	1,341
City of Urbandale	1,756,161,967	5.85	35,900,000	2,100,150
City of West Des Moines	2,951,936,346	19.11	161,475,000	30,857,873
Area XI Des Moines Area Community College	26,085,163,567	4.49	<u>55,670,000</u>	<u>2,499,583</u>
 Total District Share of Overlapping Debt			 <u>\$ 302,265,000</u>	 <u>\$ 57,215,908</u>
 Direct, Waukee Community School District:				
General Obligation		100.00 %	\$ 55,945,000	\$ 55,945,000
Capital Loan Notes		100.00	<u>730,000</u>	<u>730,000</u>
 Total District Direct Debt			 <u>\$ 56,675,000</u>	 <u>56,675,000</u>

Source: District records, County Auditor's office, City of Waukee, City of Clive, City of Grimes, City of Urbandale, City of West Des Moines, Area XI Des Moines Area Community College

WAUKEE COMMUNITY SCHOOL DISTRICT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES

Last Ten Fiscal Years
(Unaudited)

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Expenditures</u>	<u>Ratio of Debt Service to Total Expenditures</u>
2004-05	\$ 7,640,000	\$ 2,324,006	\$ 9,964,000	25,161,933	39.60 %
2003-04	1,620,000	1,983,926	3,603,926	21,121,982	17.06
2002-03	1,450,000	1,773,021	3,223,021	18,337,958	17.58
2001-02	1,315,000	1,515,146	2,830,146	16,349,386	17.31
2000-01	955,000	1,378,872	2,333,872	14,279,896	16.34
1999-00	870,000	1,148,125	2,018,125	12,220,417	16.51
1998-99	675,000	984,923	1,659,923	10,549,191	15.74
1997-98	560,000	862,095	1,422,095	9,084,867	15.65
1996-97	480,000	750,493	1,230,493	7,944,596	15.49
1995-96	280,000	380,273	660,273	6,551,891	10.08

Source: District records

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WAUKEE COMMUNITY SCHOOL DISTRICT
 GENERAL ANALYSIS OF FACILITIES, CLASSROOMS AND STAFFING

June 30, 2005
 (Unaudited)

Name of School	Dates of Construction
Elementary Schools:	
Waukee	1917, 1957, 1974, 1979, 1987, 1999
Eason	1994, 2002
Brookview	2001, 2002, 2004
Waukee Middle School	1974, 1977, 1987, 1994, 1997, 1999
Prairieview 8-9 Building	2004
Waukee High School	1997, 2000, 2001
Other facilities - non-student occupancy	
YMCA	2000, 2001
Waukee Elementary Annex	1932, 1995
District Administration	2003

Source: District records

<u>Grades Served</u>	<u>Building Served Enrollment Sept. 2004</u>	<u>Certified Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Number of Classrooms</u>	<u>Teaching Sections</u>
K-5 and Special Education	1,051	63.8	16.47	38	45
K-5 and Special Education	669	41.8	16.02	30	29
K-5 and Special Education	621	37.6	16.50	25	28
	<u>2,341</u>	<u>143.2</u>	<u>16.35</u>	<u>93</u>	<u>102</u>
6-7 and Special Education	552	42.6	12.95	26	22
8-9 and Special Education	508	35.4	14.36	46	20
10-12 and Special Education	667	48.9	13.64	-	-
District Wide	<u>4,068</u>	<u>270.1</u>	<u>15.06</u>	<u>165</u>	<u>144</u>

WAUKEE COMMUNITY SCHOOL DISTRICT

DIRECT STAFFING LEVELS

Last Ten Fiscal Years
(Unaudited)

	2005	2004	2003	2002	2001
Administration:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Principal	5.0	5.0	5.0	5.0	4.0
Associate Principal	3.0	1.0	-	-	-
Other Administrators	5.0	5.0	3.0	3.0	3.0
Total Administration	14.0	12.0	9.0	9.0	8.0
Other Professionals	-	-	0.6	1.0	1.0
Instruction:					
Teacher	258.6	229.1	207.7	192.5	165.7
Curriculum Specialist	2.0	1.0	1.0	-	-
Counselor	13.0	11.0	11.0	10.0	9.0
Title I	1.5	1.0	-	-	-
Media Specialist	5.0	5.0	5.0	5.0	3.0
Total Instruction	280.1	247.1	224.7	207.5	177.7
Professional, Other:					
Nurse	6.5	4.8	4.8	4.8	4.0
Other Professional	6.1	5.0	4.0	3.8	2.0
Total Professional, Other	12.6	9.8	8.8	8.6	6.0
Support Personnel:					
Office/Clerical	20.0	16.9	15.8	12.3	14.5
Crafts/Trades	1.0	1.0	1.0	1.0	1.0
Teacher Associates	61.7	56.9	42.2	42.8	37.5
Other Support Personnel	57.1	57.1	39.4	40.0	21.0
Total Support Personnel	139.8	131.9	98.4	96.1	74.0
Totals	446.5	400.8	341.5	322.2	266.7

Source: District records

2000	1999	1998	1997	1996
1.0	1.0	1.0	1.0	1.0
4.0	4.0	4.0	4.0	4.0
-	-	-	-	-
3.0	3.0	4.0	4.0	4.0
8.0	8.0	9.0	9.0	9.0
2.0	2.0	2.0	1.0	1.0
143.3	134.5	117.9	101.5	101.5
-	-	-	-	-
8.0	7.0	6.0	6.0	5.0
-	-	-	-	-
3.0	3.0	3.0	3.0	2.5
154.3	144.5	126.9	110.5	109.0
3.5	3.3	1.0	2.5	1.0
1.0	1.0	1.0	0.5	0.5
4.5	4.3	2.0	3.0	1.5
12.5	9.0	10.0	7.0	7.0
1.0	-	-	-	0.5
32.0	26.2	19.8	16.0	16.5
20.5	16.7	22.0	17.0	14.0
66.0	51.9	51.8	40.0	38.0
234.8	210.7	191.7	163.5	158.5

WAUKEE COMMUNITY SCHOOL DISTRICT
DISTRICT AND AREA UNEMPLOYMENT RATES

Last Ten Fiscal Years
(Unaudited)

<u>Year Ended June 30,</u>	<u>Des Moines Area</u>	<u>State of Iowa</u>
2005	4.0%	4.8%
2004	4.1	4.1
2003	3.6	4.2
2002	3.4	4.0
2001	2.1	3.3
2000	2.0	2.6
1999	1.9	2.5
1998	2.0	2.6
1997	2.6	3.3
1996	2.8	3.8

Source: Iowa Workforce Development

WAUKEE COMMUNITY SCHOOL DISTRICT
SUMMARY OF HISTORICAL RETAIL SALES

Last Ten Fiscal Years
(Unaudited)

In Millions of Dollars											
	<u>Dallas</u>	<u>Percent</u>		<u>Waukee</u>	<u>Percent</u>		<u>West</u>	<u>Percent</u>		<u>Des Moines</u>	<u>Percent</u>
	<u>County</u>	<u>Increase</u>		<u>Waukee</u>	<u>Increase</u>		<u>Des Moines</u>	<u>Increase</u>		<u>Des Moines</u>	<u>Increase</u>
2004 * \$	340.93	6.6 %	\$	104.16	23.0 %	\$	914.20	2.6 %	\$	3,492.31	(16.7) %
2003	319.88	12.2		84.65	10.4		891.45	2.3		4,190.41	10.6
2002	285.14	7.5		76.68	8.1		871.55	2.1		3,789.65	(5.1)
2001	265.18	20.7		70.94	41.5		853.49	(0.6)		3,994.64	(2.7)
2000	219.78	21.7		50.13	73.4		858.59	5.3		4,106.04	1.3
1999	180.54	18.0		28.91	5.7		815.65	15.9		4,054.94	2.8
1998	152.98	7.2		27.36	11.2		704.03	8.1		3,944.05	0.2
1997	142.72	4.1		24.61	6.6		651.25	2.4		3,935.45	2.4
1996	137.05	8.0		23.09	5.8		636.14	10.4		3,844.21	4.4
1995	126.94	4.4		21.82	13.4		576.36	11.7		3,682.98	3.6

* 2004 actual data is most recent data available.

Source: Office of Social and Economic Trend Analysis

WAUKEE COMMUNITY SCHOOL DISTRICT

MAJOR EMPLOYERS IN THE DISTRICT AND POPULATION

June 30, 2005
(Unaudited)

Presented below is a list of major employers located within the Waukee Community School District, the type of business conducted and an approximate number of employees for each.

<u>Name of business</u>	<u>Product/Service</u>	<u>Employees</u>
Selectivend	Manufacturing	500
Waukee Community School District	Education	400
Des Moines Golf and Country Club	Country Club/Golf Course	325
Monarch Manufacturing	Window Manufacturer	110

Larger employers in the area:

Principal Financial Group	Insurance	8,300
State of Iowa	Government	6,749
United States Government	Government	6,100
Des Moines Ind. School District	Education	5,325
Iowa Health System	Health Care	5,000
Communication Data Services, Inc.	Data Entry	3,000
HyVee Food Store	Grocery Chain	2,595
Mercy Hospital Medical Center	Health Care	2,200
City of Des Moines	Government	2,170
Wellmark Blue Cross Blue Shield	Insurance	2,066
Bridgestone-Firestone	Manufacturing	1,700
West Des Moines Community School District	Education	1,500
Pioneer Hybrid	Agriculture Seed Sales	1,428

Population

Presented below are the official census figures for the incorporated cities of Waukee, Clive, Urbandale and West Des Moines. The Waukee Community School District includes the portions of each of these cities in Dallas County within its boundaries. The District's population is estimated to be 22,428.

<u>Census</u>	<u>Waukee</u>	<u>Clive</u>	<u>Urbandale</u>	<u>West Des Moines</u>
1980	2,227	6,064	17,869	21,894
1990	2,512	7,462	23,500	31,702
2000	5,126	12,855	29,072	46,403

Source: City Chambers of Commerce

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WAUKEE COMMUNITY SCHOOL DISTRICT
BUILDING AND CERTIFIED RESIDENT STUDENT ENROLLMENT BY GRADE

Last Ten Fiscal Years
(Unaudited)

Grade	2004	2003	2002	2001
PK	26	24	14	14
K	433	445	321	327
1	467	350	346	276
2	368	377	296	255
3	403	319	262	222
4	347	276	241	215
5	297	260	233	230
6	292	244	256	185
7	260	265	199	192
8	274	224	220	188
9	234	244	189	179
10	263	198	190	174
11	198	202	182	165
12	206	198	163	146
District Served Enrollment	4,068.0	3,626.0	3,112.0	2,768.0
Open Enrollment/Tuition In	225.0	236.0	237.0	186.0
Open Enrollment/Tuition Out	187.1	172.8	148.7	131.8
Certified Resident Enrollment	4,030.1	3,562.8	3,023.7	2,713.8

* No Data Available

Source: District records

2000	1999	1998	1997	1996	1995
*	*	*	*	*	*
259	243	180	151	144	123
239	187	173	161	135	139
198	189	178	138	147	117
204	190	148	152	118	128
222	161	149	130	123	125
165	163	133	138	126	123
182	155	153	128	132	122
175	157	145	141	126	116
168	154	142	126	124	110
165	146	134	125	101	116
150	142	129	109	111	95
153	123	113	118	99	74
121	110	124	101	66	88
2,401.0	2,120.0	1,901.0	1,718.0	1,552.0	1,476.0
141.0	159.0	135.1	102.1	87.1	66.0
125.4	122.0	110.8	80.0	100.0	81.6
2,385.4	2,083.0	1,876.7	1,695.9	1,564.9	1,491.6

WAUKEE COMMUNITY SCHOOL DISTRICT

OPERATING COST PER PUPIL

Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Total Costs*</u>	<u>Daily Membership</u>	<u>Operating Cost per Pupil</u>
2004-05	\$ 25,161,933	4,058	\$ 6,201
2003-04	21,121,982	3,685	5,732
2002-03	18,337,958	3,138	5,844
2001-02	16,349,386	2,801	5,837
2000-01	14,279,896	2,461	5,802
1999-00	12,220,417	2,160	5,658
1998-99	10,549,191	1,840	5,733
1997-98	9,084,867	1,654	5,493
1996-97	7,944,596	1,481	5,364
1995-96	6,551,891	1,406	4,660

* Includes only General Fund Expenditures

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

TAX RATES BY FUND

Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>General</u>	<u>Management</u>	<u>PPEL</u>	<u>Debt Service</u>	<u>Total</u>
2004-05	\$ 11.82216	\$ 0.35527	\$ 1.67000	\$ 4.04603	17.89346
2003-04	11.69320	0.25168	1.67000	4.04952	17.66440
2002-03	11.97257	0.25115	1.67000	3.75576	17.64948
2001-02	11.50340	0.25244	1.67000	4.03755	17.46339
2000-01	11.49978	0.26197	1.67000	4.05000	17.48175
1999-00	11.40850	0.21313	1.67000	4.05000	17.34163
1998-99	12.25670	0.22386	1.00000	3.49107	16.97163
1997-98	12.04646	0.12715	1.00000	3.69605	16.86966
1996-97	11.73355	0.08482	1.00000	3.34455	16.16292
1995-96	12.68769	0.27571	1.00000	2.31077	16.27417

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

RATIOS OF FINANCIAL CONDITION

Last Ten Fiscal Years
(Unaudited)

	Year Ended June 30,			
	2005	2004	2003	2002
Days net Cash Ratio <u>cash</u> average daily disbursements	59.09	56.9	56.8	37.7
Increased Revenue versus Increased Expenditures <u>current year revenue minus prior year revenue</u> current year expenditures minus prior year expenditures	1.07	0.63	1.58	0.77
Financial Solvency Ratios <u>current year UD, UR Fund Balance *</u> current year actual revenue	5.404 %	5.597 %	6.169 %	1.107 %

* UD, UR = Undesignated, Unreserved

Source: District records

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
43.4	59.2	57.8	55.5	53.4	21.4
0.68	1.56	0.93	0.86	1.01	2.02
1.986 %	7.022 %	6.751 %	7.089 %	5.638 %	3.934 %

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARISON OF GROWTH IN GENERAL FUND REVENUE, EXPENDITURES,
ENROLLMENT, ASSESSED VALUATION AND TAX RATE

Last Ten Fiscal Years
(Unaudited)

<u>Year Ended</u> <u>June 30,</u>	<u>Revenue</u>	<u>Growth</u>	<u>Expenditures</u>	<u>Growth</u>	<u>Enrollment</u>	<u>Growth</u>
2005	\$ 25,425,031	20.50 %	\$ 25,161,933	18.62 %	4,030.1	13.12 %
2004	21,099,617	8.96	21,121,982	15.18	3,562.8	17.83
2003	19,364,073	19.42	18,337,958	12.16	3,023.7	11.42
2002	16,215,170	18.76	16,349,386	14.49	2,713.8	13.77
2001	13,653,762	9.19	14,279,896	16.85	2,385.4	14.52
2000	12,504,971	18.58	12,220,417	15.84	2,083.0	11.53
1999	10,545,945	13.87	10,549,191	16.12	1,867.7	10.13
1998	9,261,326	11.66	9,084,867	14.35	1,695.9	8.37
1997	8,294,137	20.52	7,944,596	21.26	1,564.9	4.91
1996	6,882,066	20.51	6,551,891	14.88	1,491.6	12.50

* = Does not include tax increment financing (TIF) valuations.

Source: District records

<u>Assessed Value*</u>	<u>Growth</u>	<u>Tax Rate</u>	<u>Growth</u>
\$ 844,423,567	18.07 %	\$ 11.82216	1.10 %
715,197,303	8.86	11.69320	-2.33
656,966,876	18.46	11.97257	4.08
554,596,339	21.07	11.50340	0.03
458,079,902	8.48	11.49978	0.80
422,277,389	18.15	11.40850	-6.92
357,410,386	13.61	12.25670	1.75
314,587,465	6.71	12.04646	2.67
294,815,661	8.22	11.73355	-7.38
272,423,022	48.59	12.66904	-1.07

WAUKEE COMMUNITY SCHOOL DISTRICT
TAXABLE ASSESSED VALUATION BY PROPERTY TYPE*

Last Ten Fiscal Years
(Unaudited)

Collection Year	2005		2004		2003	
Residential	\$ 479,166,040	56.7 %	\$ 416,743,673	58.2 %	\$ 385,758,428	58.7 %
Agricultural	14,475,120	1.7	22,181,850	3.1	22,470,600	3.4
Commercial	325,193,663	38.4	250,761,836	35.0	221,993,653	33.8
Industrial	4,718,460	0.6	4,564,480	0.6	4,452,610	0.7
Personal	-	0.0	-	-	742,846	0.1
Railroads	2,451,043	0.3	2,334,361	0.3	2,084,530	0.3
Utilities w/o Gas & Electric	12,013,842	1.4	12,181,126	1.7	12,974,345	2.0
Gas & Electric	<u>7,564,751</u>	0.9	<u>7,517,646</u>	1.1	<u>7,526,984</u>	1.1
Sub-Total	845,582,919		716,284,972		658,003,996	
(Military Credit)	<u>(1,159,352)</u>		<u>(1,087,669)</u>		<u>(1,037,120)</u>	
Totals	<u>\$ 844,423,567</u>		<u>\$ 715,197,303</u>		<u>\$ 656,966,876</u>	

* Does not include TIF Valuation

Source: County Auditor and District records

2002		2001		2000		1999	
\$ 343,169,499	61.9 %	\$ 262,101,456	57.2 %	\$ 231,838,458	54.9 %	\$ 202,424,528	57.0 %
22,591,480	4.1	22,083,027	3.4	21,276,910	5.0	20,673,726	5.8
159,965,881	28.8	147,944,604	22.5	141,742,851	33.6	101,577,343	28.6
4,319,690	0.8	4,186,760	0.6	3,969,890	0.9	3,974,870	1.1
6,503,826	1.2	7,654,857	1.2	8,430,119	2.0	10,398,704	2.9
1,955,070	0.4	-	-	-	-	-	-
9,564,871	1.7	15,100,018	2.3	15,966,459	3.8	17,249,249	4.9
7,557,884	1.4	-	-	-	-	-	-
555,628,201		459,070,722		423,224,687		356,298,420	
(1,031,862)		(990,820)		(947,298)		(888,034)	
<u>\$ 554,596,339</u>		<u>\$ 458,079,902</u>		<u>\$ 422,277,389</u>		<u>\$ 355,410,386</u>	

WAUKEE COMMUNITY SCHOOL DISTRICT
TAXABLE ASSESSED VALUATION BY PROPERTY TYPE*

Last Ten Fiscal Years
(Unaudited)

Collection Year	1998		1997		1996	
Residential	\$ 161,774,555	50.0 %	\$ 152,388,412	51.7 %	\$ 137,434,969	50.4 %
Agricultural	29,473,274	9.1	20,844,068	7.1	20,612,448	7.6
Commercial	102,751,772	31.8	93,909,577	31.9	87,181,343	32.0
Industrial	3,835,160	1.2	3,446,516	1.2	3,057,872	1.1
Personal	10,498,240	3.2	10,499,686	3.6	10,510,459	3.9
Railroads	-	-	-	-	-	-
Utilities w/o Gas & Electric	16,023,970	5.0	14,499,686	4.9	14,350,063	5.3
Gas & Electric	-	-	-	-	-	-
Sub-Total	324,356,971		295,587,945		273,147,154	
(Military Credit)	(769,506)		(772,284)		(724,132)	
Totals	<u>\$ 323,587,465</u>		<u>\$ 294,815,661</u>		<u>\$ 272,423,022</u>	

* Does not include TIF Valuation

Source: County Auditor

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WAUKEE COMMUNITY SCHOOL DISTRICT
GOVERNMENT-WIDE REVENUES BY SOURCE

Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Program Revenues</u>			<u>General</u>
	<u>Charges for Services & Sales</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Taxes</u>
2005	\$ 3,527,553	\$ 2,715,432	\$ 120,440	\$ 18,728,923
2004	3,232,541	2,201,721	-	14,224,212
*2003	2,914,045	1,988,672	-	12,481,271

* Fiscal year 2003 was the first year of government-wide financial statements

Source: District records

Revenues

	<u>Other Local Sources</u>	<u>State Sources</u>	<u>Investment Earnings</u>	<u>Total</u>
\$	327,606	\$ 11,414,256	\$ 199,214	\$ 37,033,424
	68,942	9,242,108	90,407	29,059,931
	106,411	8,119,410	248,975	25,858,784

WAUKEE COMMUNITY SCHOOL DISTRICT
GOVERNMENT-WIDE EXPENSES BY FUNCTION

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Expense Function				Total
	Instruction	Support Services	Non- Instructional Programs	Other Expenditures	
2005	\$ 17,459,390	\$ 8,412,897	\$ 1,716,525	\$ 5,674,821	\$ 33,263,633
2004	14,226,865	6,766,317	1,346,406	4,399,338	26,738,926
*2003	12,850,667	5,366,904	1,184,665	4,130,382	23,532,618

* Fiscal year 2003 was the first year of government-wide financial statements

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
IOWA SCHOOL CASH ANTICIPATION PROGRAM (ISCAP)

Last Ten Fiscal Years
(Unaudited)

<u>Year Ended June 30,</u>	<u>Principal of Certificates Issued</u>
2004-05	\$ 0
2003-04	0
2002-03	2,275,000
2001-02	2,049,000
2000-01	1,433,000
1999-00	945,000
1998-99	865,000
1997-98	955,000
1996-97	1,010,000
1995-96	1,610,000

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2005
(Unaudited)

Total District 100% Actual Assess Value	\$ <u>1,580,553,733</u>
Debt Limit-5% of Total District 100% Assess Value	79,027,687
Amount of Debt Applicable to Debt Limit	
Bonds Payable	\$ 55,945,000
Capital Loan Notes Payable	
1995 Issue	170,000
1997 Issue	30,000
2000 Issue	465,000
2001 Issue	65,000
Total Amount of Debt Applicable to Debt Limit	<u>56,675,000</u>
Legal Debt Margin	\$ <u><u>22,352,687</u></u>

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL TAXPAYERS IN THE WAUKEE COMMUNITY SCHOOL DISTRICT

June 30, 2005
(Unaudited)

<u>Taxpayer</u>	<u>2004 Taxable Values</u>
Wells Fargo Home Mortgage, Inc.	\$ 63,750,810
Dallas County Partners	43,671,860
GCP Jordan Creek LLC	26,851,680
Dallas County Partners II	26,811,180
West Lakes Development Company	19,472,710
Northwood Village Ltd	14,149,980
Iowa Lodging, LLC	12,436,230
Westlake Investments, LLC	11,119,754
Iowa Clinic West Lakes I, LLC	11,019,690
Sherman Hills Real Estate Partnership LLP	10,415,790

Source: Dallas County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT
PROPERTY VALUES AND CONSTRUCTION

Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	100% Actual Property Values	Construction Permits Issued					
			Year	Waukee	Clive	Urbandale	West Des Moines	# of Permits
2003	2004-05	1,580,553,733	2004	518	221	424	317	1,480
2002	2003-04	1,367,553,594	2003	472	191	371	317	1,351
2001	2002-03	1,241,366,220	2003	316		209	857	1,382
2000	2001-02	1,000,647,538	2001	288		92	210	590
1999	2000-01	848,920,035	2000	310		47	210	567
1998	1999-00	717,642,585	1999	311			277	588
1997	1998-99	640,017,577	1998				406	406
1996	1997-98	522,412,862	1997				147	147
1995	1996-97	474,323,103	1996				188	188
1994	1995-96	358,363,988	1995				76	76

Note: 10 year construction permit data was not available from Waukee, Clive and Urbandale

Source: County Auditor's Office, Building departments for City of Waukee, Clive, Urbandale and West Des Moines