

# Comprehensive Annual Financial Report

For the Fiscal Year Ended  
June 30, 2008



Waukee Community School District  
560 S E University Avenue  
Waukee, Iowa 50263



**WAUKEE COMMUNITY SCHOOL DISTRICT**  
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February 16, 2009

We are a District with a dedication to all students and an unwavering commitment to a quality educational program. That commitment, along with a strong sense of community defines the work of the Board of Education for the Waukee Community School District. In a time of ongoing funding restrictions and changing financial models, achieving these goals is a significant challenge.

Our shared vision statement is “to deliver appropriate educational programs for our students, recognizing that all involved – students, teachers, and family – share in the responsibility for learning.” Honoring our vision keeps us focused on moving forward, closing any gap that may exist between our current reality and our vision. The District’s Guiding Principles and Mission Statement guide the allocation of resources to achieve our goals.

Iowa continues to fall short of fully funding the education formula for K-12 schools. In Waukee, we will continue to allocate available resources to fulfill our mission and our commitment to students.

This report is a comprehensive financial record of the District for the fiscal year ended June 30, 2008. It reflects the conditions that have enabled the Waukee Community School District to maintain a favorable and improving financial picture – even during a period of challenging growth. Among the enabling conditions are:

We have a highly dedicated and skilled team of teachers, staff, and administrators.  
We have a highly effective Board of Education and a very supportive community.  
We work in an atmosphere where everyone is encouraged to work at their highest level in a collaborative environment.

As you examine this report, you will see a pattern of on-going financial strength that we hope to continue into the future. We welcome your questions and suggestions. We will continue to learn together to build on our success as a learning community for the future.

Respectfully Submitted,



David J. Wilkerson, Ph.D.  
Superintendent



February 16, 2009

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, 2008 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 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 Financial Annual Report is presented in three sections: introductory, financial and statistical. The introductory section, which is un-audited, includes this transmittal letter and a list of principal District officials, an organizational chart and the Association of School Business Officials International 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 un-audited, 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. The Waukee Community School District has no component units that 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 and athletic and activities.

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 will 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 years ending June 30, 2004, 2005 and 2006. 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 the financial statements. All the District's funds are presented in this report and have been audited by the District's independent certified public accountants, Van Maanen & Associates, P.C.

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 and updated in 2006, 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. Student increases of over 900 students have been recorded in the past two years. Taxable assessed value continues to grow at an extremely rapid pace. The economy in the state continues to show growth. This growth has had a positive affect on employment with the greater Des Moines area unemployment rate under 4.0%. Retail sales in the greater Des Moines have leveled but remain strong. The City of West Des Moines recorded an all time record high for building permits during the past year. District taxable assessed valuations have continued steady growth to reach \$2.3 billion for January 2008 values.

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. An article in the September 27, 2007 edition of the Des Moines Register quoted a report from the Bureau of Economic Analysis showing the Des Moines Metropolitan area ranking 24<sup>th</sup> in the United States in terms of gross domestic product. The report also showed the area as the fastest growing municipal economy in the country increasing 7.2% since 2004. Retail, commercial and residential property values continue to grow at record pace. Assessed values of the District are conservatively projected 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. Wells Fargo opened its national mortgage headquarters in West Des Moines and currently employs in excess of 1,000. Aviva is currently building its North American headquarters within the boundaries of our school district with employment projections rivaling Wells Fargo. Areas surrounding the Jordan Creek Town Center continue to grow and add new retail and commercial property. 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 with over one-half of the county's students. That percentage of total students in the county will continue to increase on an annual basis with the District receiving a larger percentage of the total sales tax annually.

## MAJOR INITIATIVES

**Current year.** During the year, the District implemented a six-year plan for facilities and continued to utilize 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 completed an \$11.0 million addition to the sixth and seventh grade Middle School, and began construction on a \$4.0 million addition to our current 8-9 building to be completed in the fall of 2009.

**Future Considerations.** The six-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, has indicated the need for a K-5 elementary facility and a 6-8 grade middle school facility to open in the fall of 2010. A 750 student K-5 facility is also slated to open in the fall of 2010 that would replace the current Waukee Elementary school, which is the oldest building in the District having first been built in the early 1900's. Additional space at the current high school will probably be needed by the fall of 2012. The District is involved with local developers concerning land purchases for future school sites on an ongoing basis. Revenues from a \$70 million referendum passed in March of 2008 will fund the above projects.

A 300-400 seat Theater Arts Performance Center is in the design stage and should open in the fall of 2010. This project will be financed by selling \$4.0 million in Capital Loan Notes against the Physical Plant and Equipment Levy.

## 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 2008 fiscal year data shows a total outstanding indebtedness on June 30 of \$89,345,000 with a ratio of debt to 100% taxable, actual, assessed valuation of 3.00%. During FY 2008, \$13,215,000 of outstanding debt was paid and an additional \$17,165,000 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 \$89,345,000 is a result of general obligation bonds issued July 1997, July 1998, June 1999, April 2000, March 2001, April 2002, November 2002, May 2003, June 2004, February 2005, March 2005 and March 2008. Capital loan notes were issued in February of 2006 and Sales Tax Revenue Bonds were issued in April of 2007.

## RISK MANAGEMENT

Waukeee 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

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, 2008, 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 less than 1% to just over 4.0% during the year, compared to the highest rate of 5.134% for the previous year. While interest amounts have decreased this year this aspect of the District's finances has continued in its 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 Van Maanen & 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.

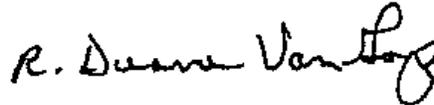
## ACKNOWLEDGEMENT

The preparation of this report on a timely basis could not have been accomplished without the effort of the accounting staff and our auditors, Van Maanen & 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,

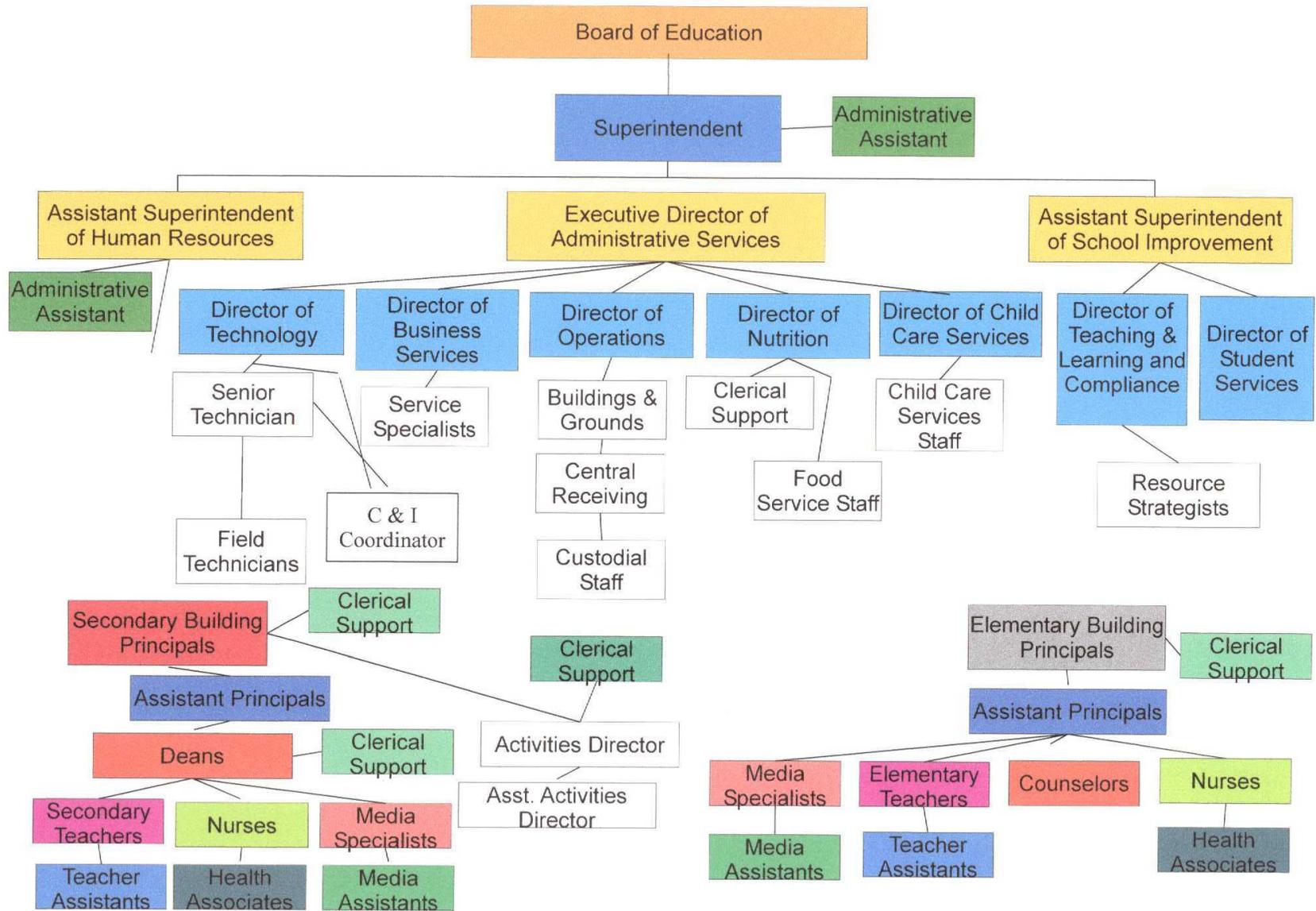


David J. Wilkerson, Ph.D.  
Superintendent



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

**WAUKEE COMMUNITY SCHOOL DISTRICT**



Waukee Students are our Foundation

**Waukee Community School District**

Board of Education and Attorney

**Board of Education**

(Before September, 2008 Election)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Tracy Lepeltak	President	2009
Wayne Cooper	Vice President	2009
Pat De Mouth	Board Member	2009
Russ Wiesley	Board Member	2009
Larry Lyon	Board Member	2008
Peggy Pierce	Board Member	2008
Jerry Ripperger	Board Member	2008

**Board of Education**

(After September, 2008 Election)

Wayne Cooper	President	2009
Larry Lyon	Vice President	2008
Pat De Mouth	Board Member	2009
Tracy Lepeltak	Board Member	2009
Russ Wiesley	Board Member	2009
Peggy Pierce	Board Member	2008
Jerry Ripperger	Board Member	2008

**Board Attorney**

Ahlers & Cooney, P.C.	School Attorney	Indefinite
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## **Wauke Community School District**

SCHOOL DISTRICT ADMINISTRATION  
Year Ended June 30, 2008

<u>Name</u>	<u>Position</u>
Dr. David J. Wilkerson	Superintendent
R. Duane Van Gorp, RSBO	Executive Director of Administrative Services
Dr. Bradley Buck	Assistant Superintendent for School Improvement
Dr. Bruce Kimpston	Assistant Superintendent for Human Resources
Amanda Ross	Director of Teaching & Learning
Roxanne Cumings	Director of Student Services
Ray Coffey	Director of Technology
Lora Appenzeller-Miller	Director of Accounting/Secretary to the Board of Education
Eric Rose	Director of Operations
Jeannie Allgood	Director of Nutrition Services
Andrea Wilmes	Director of Child Care Services
Molly Boyle	Literacy Resource Strategist
Sharon Ingebrand	Mathematics Resources Strategist
Jody Ratigan	High School Principal
Judi Roland	High School Dean of Students
Ronald Book	High School Dean of Students
Theresa Best	High School Dean of Students
Mark Tigges	High School Dean of Students
Cherry Donovan	High School At Risk Coordinator
Juley Murphy-Tiernen	Prairieview Principal
Ed Slauson	Prairieview Dean of Students
Susan Elbert	Prairieview Dean of Students
Mike Blake	Middle School Principal
Mark Skahill	Middle School Dean of Students
Vicki Hasty	Middle School Dean of Students
Jodie Belger	Middle School Dean of Students
Larry Rude	Prairieview & Middle School At Risk Coordinator
Randy Nemitz	Wauke Elementary Principal
Peg Erke	Eason Elementary Principal
Terry Hurlburt	Brookview Elementary Principal
Chris Smith	Walnut Hills Elementary Principal
Nicole Tjaden	Assistant Elementary Principal
Karen Allison	Assistant Elementary Principal
Jim Dueda	Director of Athletics & Activities
Todd Schneiter	Assistant Director of Athletics
Wayne Kischer	Auditorium Manager

Waukee Community School District  
Consultants, Advisers, and Official Depositories

**Consultants and Advisors:**

Certified Public Accountants:  
Van Maanen & Associates, P.C.  
705 Main St.  
Pella, IA 50219

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:  
Mercer Advantage  
1776 West Lakes Parkway - SS2  
West Des Moines, Iowa 50266

**Official Depositories:**

Wells Fargo, Iowa  
110 Highway 6  
Waukee, Iowa 50263

First American Bank  
12333 University Avenue  
P.O. Box 71156  
Clive, Iowa 50325

Iowa School Joint Investment Trust  
P.O. Box 71158  
Clive Iowa 50325-0158

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

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

*is presented to*

**Waukee Community School District**

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

upon recommendation of the Association's Panel of Review

which has judged that the Report substantially conforms

to principles and standards of ASBO's Certificate of Excellence Program

*James E. Brendel*  
President

*John D. Mussen*  
Executive Director

ASBO



**Van Maanen  
& ASSOCIATES, P.C.**

**Certified Public Accountants**

705 Main St.  
Pella, IA 50219  
641-628-3737

Independent Auditor's Report

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

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, Iowa, as of and for the year ended June 30, 2008, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Waukee Community School District as of June 30, 2008, 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 January 9, 2009 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 15 through 21 and 58 through 60 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. 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. A different accounting firm audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the two years ended June 30, 2006 (which are not presented herein) and expressed unqualified opinions on those financial statements. We audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the year ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 8, and the 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.

*Van Maanen & Associates, P.C.*

Van Maanen & Associates, P.C.  
Certified Public Accountants

January 9, 2009

# WAUKEE COMMUNITY SCHOOL DISTRICT

## Management Discussion and Analysis For Fiscal Year Ended June 30, 2008

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, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A). However, in the year of implementation, certain omissions are allowed. Subsequent MD&A's will include all required comparative information.

### Financial Highlights

The District showed an increase in net assets of \$10,441,661 during the year ended June 30, 2008.

Total revenues for the fiscal year ended June 30, 2008 of \$61,469,450 were comprised of General Revenues in the amount of \$51,479,750 and program revenues totaling \$9,989,700.

As of June 30, 2008, unreserved, undesignated fund balance for the General Fund was \$6,804,838 or 16.56% of General Fund expenditures. The financial solvency ratio for the year ended June 30, 2008 was 15.68%, which is an increase of 3.55% over the previous year. This increase is attributed to unreserved fund balance keeping pace with revenue increases and a favorable ration of total revenues to total expenditures.

The Waukee Community School District's total long-term bonded debt increased by \$3,950,000 due to the issuance of general obligation bonds issued in March of 2008.

### 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 interest on long-term debt. 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, 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 30 through 34 of this report.

**Proprietary fund** – The District maintains only one type of proprietary fund, the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains one enterprise fund.

The basic proprietary fund financial statements can be found on pages 35 through 37 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. Agency funds are custodial in nature and do not involve measurement of results of operation.

The basic fiduciary fund financial statements can be found on pages 38 through 39 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 58 and 60 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 \$28,149,303 to \$38,590,964.

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 \$19,405,037. 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.

	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2008	2007	2008	2007	2008	2007	2007-2008
Current and other assets	\$ 69,826,802	60,702,342	1,217,661	1,003,298	71,044,463	61,705,640	15.1%
Capital assets	97,335,773	86,215,826	1,073,417	512,885	98,409,190	86,728,711	13.5%
<b>Total assets</b>	<b>167,162,575</b>	<b>146,918,168</b>	<b>2,291,078</b>	<b>1,516,183</b>	<b>169,453,653</b>	<b>148,434,351</b>	<b>14.2%</b>
Long-term debt outstanding	89,345,000	82,194,466	-	-	89,345,000	82,194,466	8.7%
Other liabilities	41,451,155	38,036,122	66,534	54,460	41,517,689	38,090,582	9.0%
<b>Total liabilities</b>	<b>130,796,155</b>	<b>120,230,588</b>	<b>66,534</b>	<b>54,460</b>	<b>130,862,689</b>	<b>120,285,048</b>	<b>8.8%</b>
Net assets:							
Invested in capital assets, net of related debt	18,331,620	14,051,616	1,073,417	736,602	19,405,037	14,788,218	31.2%
Restricted	9,922,010	7,820,732	-	-	9,922,010	7,820,732	26.9%
Unrestricted	8,112,790	4,815,232	1,151,127	725,121	9,263,917	5,540,353	67.2%
<b>Total net assets</b>	<b>\$ 36,366,420</b>	<b>26,687,580</b>	<b>2,224,544</b>	<b>1,461,723</b>	<b>38,590,964</b>	<b>28,149,303</b>	<b>37.1%</b>

The restricted portion of the District's net assets (25.7%) represents resources that are subject to external restrictions on how they may be used. These restrictions include \$133,903 for special restricted purposes, \$2,033,495 for Physical Plant and Equipment, \$7,259,134 for Capital Projects and \$423,123 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 Waukeel 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 \$10,441,661, or 37.1%, during the current fiscal year. The total invested in capital assets net of related debt increased 33.2%. The governmental activities net assets increased by \$9,678,840. Business type activities increased by \$762,821. 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, 2008 as compared to the fiscal year ended June 30, 2007. These two main components are subtracted to yield the change in net assets. This table utilized 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.

**Table 2**  
**Changes in Net Assets**

	<b>Governmental activities</b>		<b>Business type activities</b>		<b>Total District</b>	
	<b>Year ended June 30,</b>		<b>Year ended June 30,</b>		<b>Year ended June 30,</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,196,224	2,173,717	2,608,137	2,163,844	4,804,361	4,337,561
Operating grants and contributions	4,680,999	3,628,074	504,340	421,173	5,185,339	4,049,247
General Revenues:						
Property and other taxes	27,644,301	22,707,713	-	-	27,644,301	22,707,713
Local option sales tax	4,780,752	4,199,658	-	-	4,780,752	4,199,658
Unrestricted state grants	17,597,500	15,518,867	-	-	17,597,500	15,518,867
Unrestricted investment earnings	840,642	1,299,865	40,396	40,854	881,038	1,340,719
Other	576,131	376,121	28	-	576,159	376,121
Transfer - capital contribution	(621,256)	-	621,256	-	-	-
Total revenues	<u>57,695,293</u>	<u>49,904,015</u>	<u>3,774,157</u>	<u>2,625,871</u>	<u>61,469,450</u>	<u>52,529,886</u>
<b>Expenses:</b>						
Program expenses:						
Instruction	29,165,013	23,541,001	11,932	7,101	29,176,945	23,548,102
Support services	13,714,587	10,863,315	359,328	285,066	14,073,915	11,148,381
Non-instructional programs	21,238	-	2,640,076	2,093,551	2,661,314	2,093,551
Other	1,824,916	3,666,113	-	-	1,824,916	3,666,113
Debt service	3,290,699	3,202,401	-	-	3,290,699	3,202,401
Total expenses	<u>48,016,453</u>	<u>41,272,830</u>	<u>3,011,336</u>	<u>2,385,718</u>	<u>51,027,789</u>	<u>43,658,548</u>
Changes in net assets	<u>\$ 9,678,840</u>	<u>8,631,185</u>	<u>762,821</u>	<u>240,153</u>	<u>10,441,661</u>	<u>8,871,338</u>

Expenses are shown in programs including instruction, support services, non-instructional programs, other and interest on long-term debt.

The number of students served by the District increased by approximately 427 students, which was a 7.8% 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 decreased 34.3% due to falling interest rates and decreased availability of investment capital for greater periods of time. Local option sales tax increased 13.8% due to an overall increase in Dallas County taxable sales. Also a contributing factor is that our District continually has a larger percentage of Dallas County students.

Table 3 below discloses cost of services for governmental and business-type 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 restricted grants and services. Net Cost of services is 85.6% of total cost of services in 2008.

Programs	Total Cost of Services	Net Cost of Services
Instruction	\$ 29,165,013	24,236,783
Support Services	13,714,587	13,462,184
Noninstructional programs	21,238	21,238
Other	1,824,916	128,326
Debt Service	3,290,699	3,290,699
	<u>\$ 48,016,453</u>	<u>41,139,230</u>

### **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 \$29,960,980, an increase of \$2,648,122 in comparison with the prior year. Approximately 22.7% of this total amount, or \$6,804,838, constitutes unreserved fund balance and is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for 1) inventories \$36,681; 2) state grants \$97,222; 3) General Fund \$92,506; 4) Debt Service \$9,432,642; 5) Capital Projects \$10,340,847 and for 5) non-major, special revenue funds \$3,156,244.

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 \$6,804,838 while total fund balance reached \$7,031,247. 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 16.56% of total General Fund expenditures.

The fund balance of the District's General Fund increased \$2,305,646 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 Debt Service Fund and the Capital Projects Fund. The Debt Service fund balance increased \$609,839 due to accumulation of local taxes needed to make future interest payments as they come due. The Capital Projects fund balance decreased by \$1,778,983.

## 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 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 and Final	Actual	Variance
Instruction	\$ 23,973,470	27,367,942	(3,394,472)
Support Services	21,007,269	14,778,922	6,228,347
Noninstructional programs	2,700,000	2,670,031	29,969
Other	34,118,468	31,098,039	3,020,429
	<u>\$ 81,799,207</u>	<u>75,914,934</u>	<u>5,884,273</u>

The positive variance of \$2,513,255 was a result of a concentrated and successful effort to maximize revenues and control expenses.

## Capital Assets and Debt Administration

The following table shows ending balances of capital assets invested in various categories. The District recognized a total net increase of \$31,101,418. The increase can be attributed to extensive land purchases and three major construction projects in progress at year's end.

	<b>2008</b>	<b>2007</b>
Land	\$ 4,939,976	4,939,976
Construction in progress	5,280,004	21,240,044
Buildings and improvements	85,353,072	58,687,046
Furniture and equipment	1,762,721	1,348,760
Total	<u>\$ 97,335,773</u>	<u>86,215,826</u>

## Debt

As of June 30, 2008, the Waukee Community School District had general obligation and capital loan notes outstanding totaling \$89,345,000. In the current year, the District paid \$13,215,000 in principal and \$3,097,409 in interest.

As of June 30, 2008, the District's available debt limit was \$149,054,083 which leaves a legal debt margin of \$59,709,083 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 5 to the 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 one of the fastest growing counties in the nation. The District is the fastest growing school district in the State of Iowa. The September 2007 certified student enrollment increased 412.7 students over the previous year. The economic condition and outlook of the District is one of great optimism. Over the past seven years the total taxable assessed value in the District has increased \$1.2B. The taxable assessed value has increased 109% in the last five fiscal years. For the current fiscal year, taxable assessed value in the District increased \$350,567,879 or 22.9%.

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 generated \$4.78 million dollars in fiscal 2008. An estimated \$5.2 million dollars is expected to be generated in 2009. The one-cent sales tax will continue through December of 2013.

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 one of the 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 began 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 2008 legislature setting allowable growth for the 2008-09 and 2009-10 fiscal years at 4%. We are 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.



## **Basic Financial Statements**

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
June 30, 2008

	Governmental Activities	Business Type Activities	Total Primary Government
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents:			
Revenue bond reserve	\$ 1,890,000	-	1,890,000
Other	32,622,442	1,161,763	33,784,205
Receivables:			
Property tax:			
Delinquent	231,151	-	231,151
Succeeding year	33,731,694	-	33,731,694
Accounts	81,902	9,243	91,145
Due from other governments	1,105,495	-	1,105,495
Inventories	36,681	46,655	83,336
Total current assets	69,699,365	1,217,661	70,917,026
Non-current assets:			
Bond discounts, unamortized	127,437	-	127,437
Capital assets:			
Land and improvements	4,939,976	-	4,939,976
Buildings and improvements	98,148,912	-	98,148,912
Vehicles, furniture and equipment	3,075,320	1,803,298	4,878,618
Construction in progress	5,280,004	-	5,280,004
Accumulated depreciation	(14,108,439)	(729,881)	(14,838,320)
Total capital assets	97,335,773	1,073,417	98,409,190
Total non-current assets	97,463,210	1,073,417	98,536,627
<b>Total assets</b>	<b>167,162,575</b>	<b>2,291,078</b>	<b>169,453,653</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	2,020,251	14,213	2,034,464
Salaries and benefits payable	3,848,266	14,271	3,862,537
Accrued interest payable	673,361	-	673,361
Unearned revenue:			
Succeeding year property tax	33,731,694	-	33,731,694
Other	-	38,050	38,050
Capital loan notes payable	1,380,000	-	1,380,000
Revenue bonds payable	2,475,000	-	2,475,000
General obligation bonds payable	4,990,000	-	4,990,000
Early retirement payable	114,788	-	114,788
Compensated absences	144,816	-	144,816
Total current liabilities	49,378,176	66,534	49,444,710
Non-current liabilities:			
Capital loan notes payable	11,195,000	-	11,195,000
Revenue bonds payable	13,925,000	-	13,925,000
General obligation bonds payable	55,380,000	-	55,380,000
Unamortized premium	405,496	-	405,496
Early retirement payable	512,483	-	512,483
Total non-current liabilities	81,417,979	-	81,417,979
<b>Total liabilities</b>	<b>130,796,155</b>	<b>66,534</b>	<b>130,862,689</b>

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
June 30, 2008

	Governmental Activities	Business Type Activities	Total Primary Government
<b><i>Continued from previous page</i></b>			
<b>Net Assets</b>			
Invested in capital assets, net of related debt	18,331,620	1,073,417	19,405,037
Restricted for:			
Management levy	72,355	-	72,355
Physical plant and equipment levy	2,033,495	-	2,033,495
Other special revenue purposes	423,123	-	423,123
Capital projects	7,259,134	-	7,259,134
Other purposes	133,903	-	133,903
Unrestricted	8,112,790	1,151,127	9,263,917
<b>Total net assets</b>	<b>\$ 36,366,420</b>	<b>2,224,544</b>	<b>38,590,964</b>

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2008

Functions/Programs	Program Revenues			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions
<b>Governmental activities:</b>				
Instruction:				
Regular instruction	\$ 21,860,933	1,176,679	2,375,683	-
Special instruction	4,916,730	248,398	475,620	-
Other instruction	2,387,350	632,611	19,239	-
	<u>29,165,013</u>	<u>2,057,688</u>	<u>2,870,542</u>	<u>-</u>
Support Service:				
Student services	2,514,754	-	-	-
Instructional staff services	1,715,851	-	-	-
Administration services	3,638,974	-	-	-
Operating and maintenance of plant services	3,862,484	71,158	-	-
Transportation services	1,982,524	67,378	113,867	-
	<u>13,714,587</u>	<u>138,536</u>	<u>113,867</u>	<u>-</u>
Non-instructional programs:				
Enterprise operations	21,238	-	-	-
Other expenditures:				
Debt service - interest	3,290,699	-	-	-
AEA flowthrough	1,696,590	-	1,696,590	-
Depreciation (unallocated) *	128,326	-	-	-
	<u>5,115,615</u>	<u>-</u>	<u>1,696,590</u>	<u>-</u>
Total governmental activities	48,016,453	2,196,224	4,680,999	-
<b>Business type activities:</b>				
Instruction:				
Regular instruction	11,932	-	-	-
Support services:				
Administration services	348,150	-	-	-
Operating and maintenance of plant services	4,620	-	-	-
Transportation services	6,558	-	-	-
	<u>359,328</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-instructional programs:				
Food service operations	2,133,551	1,908,746	504,340	-
Daycare operations	506,525	699,391	-	-
	<u>2,640,076</u>	<u>2,608,137</u>	<u>504,340</u>	<u>-</u>
Total business type activities	3,011,336	2,608,137	504,340	-
Total primary governmental activities	<u>\$ 51,027,789</u>	<u>4,804,361</u>	<u>5,185,339</u>	<u>-</u>

Exhibit B

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business Type Activities	Total Primary Government
(18,308,571)	-	(18,308,571)
(4,192,712)	-	(4,192,712)
(1,735,500)	-	(1,735,500)
(24,236,783)	-	(24,236,783)
(2,514,754)	-	(2,514,754)
(1,715,851)	-	(1,715,851)
(3,638,974)	-	(3,638,974)
(3,791,326)	-	(3,791,326)
(1,801,279)	-	(1,801,279)
(13,462,184)	-	(13,462,184)
(21,238)	-	(21,238)
(3,290,699)	-	(3,290,699)
-	-	-
(128,326)	-	(128,326)
(3,419,025)	-	(3,419,025)
(41,139,230)	-	(41,139,230)
-	(11,932)	(11,932)
-	(348,150)	(348,150)
-	(4,620)	(4,620)
-	(6,558)	(6,558)
-	(359,328)	(359,328)
-	279,535	279,535
-	192,866	192,866
-	472,401	472,401
-	101,141	101,141
(41,139,230)	101,141	(41,038,089)

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2008

	Program Revenues		
Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions
<b><i>Totals continued from previous pages</i></b>	<b>\$ 51,027,789</b>	<b>4,804,361</b>	<b>5,185,339</b>

General Revenues:

Property tax levied for:

General purposes

Debt service

Capital outlay

Local option sales and services tax

Unrestricted state grants

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Other

Transfers - capital contribution

Total general revenues, capital contributions and transfers

Change in net assets

Net assets beginning of year

Net assets end of year

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

See notes to basic financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business Type Activities	Total Primary Government
\$ (41,139,230)	101,141	(41,038,089)
20,154,589	-	20,154,589
4,365,109	-	4,365,109
3,124,603	-	3,124,603
4,780,752	-	4,780,752
17,597,500	-	17,597,500
269,698	28	269,726
840,642	40,396	881,038
306,433	-	306,433
(621,256)	621,256	-
50,818,070	661,680	51,479,750
9,678,840	762,821	10,441,661
26,687,580	1,461,723	28,149,303
\$ 36,366,420	2,224,544	38,590,964

WAUKEE COMMUNITY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2008

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
<b>Assets</b>					
Cash and pooled investments					
Revenue bond reserve	\$ -	-	1,890,000	-	1,890,000
Other	11,167,356	2,131,082	16,040,212	3,170,809	32,509,459
Receivables:					
Property tax:					
Current year delinquent	178,470	42,426	-	10,255	231,151
Succeeding year	21,622,344	7,499,922	-	4,609,428	33,731,694
Accounts	23,557	-	1,442	31,712	56,711
Due from other governments	309,308	-	796,187	-	1,105,495
Inventories	36,681	-	-	-	36,681
<b>Total assets</b>	<b>\$ 33,337,716</b>	<b>9,673,430</b>	<b>18,727,841</b>	<b>7,822,204</b>	<b>69,561,191</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 835,859	-	1,127,860	56,532	2,020,251
Salaries and benefits payable	3,848,266	-	-	-	3,848,266
Deferred revenue:					
Succeeding year property tax	21,622,344	7,499,922	-	4,609,428	33,731,694
Total liabilities	26,306,469	7,499,922	1,127,860	4,665,960	39,600,211
Fund balances:					
Reserved for:					
Inventories	36,681	-	-	-	36,681
State grants	97,222	-	-	-	97,222
Debt service	-	2,173,508	7,259,134	-	9,432,642
Unreserved:					
Designated for:					
School program projects	92,506	-	-	-	92,506
Undesignated, reported in:					
General fund	6,804,838	-	-	-	6,804,838
Capital projects fund	-	-	10,340,847	-	10,340,847
Special revenue funds:	-	-	-	-	-
Management fund	-	-	-	699,626	699,626
Student activity fund	-	-	-	423,123	423,123
Physical plant and equipment fund	-	-	-	2,033,495	2,033,495
Total fund balances	7,031,247	2,173,508	17,599,981	3,156,244	29,960,980
<b>Total liabilities and fund balances</b>	<b>\$ 33,337,716</b>	<b>9,673,430</b>	<b>18,727,841</b>	<b>7,822,204</b>	<b>69,561,191</b>

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
 RECONCILIATION OF THE BALANCE SHEET  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
 June 30, 2008

**Total fund balances of governmental funds (Exhibit C)** \$ 29,960,980

***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. 97,335,773

The Internal Service Fund is used to charge the costs of the District's flexible benefits plan and self-funded dental plan to the governmental funds. The net assets of the Internal Service Fund are therefore included in governmental activities. 138,174

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. Those liabilities at year-end consist of:

Capital loan notes payable	\$	(12,575,000)	
Revenue bonds payable		(16,400,000)	
General obligation bonds payable		(60,370,000)	
Bond issuance costs		127,437	
Bond premiums		(405,496)	
Accrued interest		(673,361)	
Early retirement		(627,271)	
Compensated absences		(144,816)	
		(91,068,507)	(91,068,507)

**Net assets of governmental activities (Exhibit A)** \$ 36,366,420

See notes to basic financial statements.

Exhibit E

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year ended June 30, 2008

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
<b>Revenues:</b>					
Local sources:					
Local tax	\$ 19,059,387	4,365,109	4,780,752	4,219,805	32,425,053
Tuition	1,175,066	-	-	-	1,175,066
Other	870,294	39,391	551,800	971,153	2,432,638
State sources	21,802,799	743	-	750	21,804,292
Federal sources	479,500	-	-	-	479,500
<b>Total revenues</b>	<b>43,387,046</b>	<b>4,405,243</b>	<b>5,332,552</b>	<b>5,191,708</b>	<b>58,316,549</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular instruction	19,691,613	-	94,625	254,061	20,040,299
Special instruction	4,926,113	-	-	-	4,926,113
Other instruction	1,567,462	-	-	822,136	2,389,598
	<b>26,185,188</b>	<b>-</b>	<b>94,625</b>	<b>1,076,197</b>	<b>27,356,010</b>
Support services:					
Student services	1,686,981	-	817,293	14,184	2,518,458
Instructional staff services	2,443,174	-	-	7,136	2,450,310
Administration services	3,499,512	16,009	35,977	87,661	3,639,159
Operation and maintenance of plant services	3,564,931	-	-	264,839	3,829,770
Transportation services	1,981,897	-	-	-	1,981,897
	<b>13,176,495</b>	<b>16,009</b>	<b>853,270</b>	<b>373,820</b>	<b>14,419,594</b>
Non-instructional programs:					
Enterprise operations	23,127	-	-	6,828	29,955
	<b>23,127</b>	<b>-</b>	<b>-</b>	<b>6,828</b>	<b>29,955</b>
Capital outlay:					
Facilities acquisition	-	-	12,705,866	374,474	13,080,340
Debt service:					
Principal	-	13,215,000	-	-	13,215,000
Interest	-	3,097,409	-	-	3,097,409
Fiscal charges	-	8,700	-	-	8,700
AEA flowthrough	1,696,590	-	-	-	1,696,590
	<b>1,696,590</b>	<b>16,321,109</b>	<b>12,705,866</b>	<b>374,474</b>	<b>31,098,039</b>
<b>Total expenditures</b>	<b>41,081,400</b>	<b>16,337,118</b>	<b>13,653,761</b>	<b>1,831,319</b>	<b>72,903,598</b>
Excess (deficiency) of revenues over (under) expenditures	2,305,646	(11,931,875)	(8,321,209)	3,360,389	(14,587,049)

Exhibit E

WAUKEE COMMUNITY SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 Year ended June 30, 2008

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
<i>Continued from previous page</i>					
Other financing sources (uses):					
Interfund transfers in	-	5,327,082	-	-	5,327,082
Interfund transfers out	-	-	(3,478,313)	(1,848,769)	(5,327,082)
Refunding bonds issued	-	7,165,000	-	-	7,165,000
General obligation bonds issued	-	-	10,000,000	-	10,000,000
Premium on sale of bonds	-	88,404	117,581	-	205,985
Discount on sale of bonds	-	(38,772)	(97,042)	-	(135,814)
Total other financing sources (uses)	-	12,541,714	6,542,226	(1,848,769)	17,235,171
Net change in fund balances	2,305,646	609,839	(1,778,983)	1,511,620	2,648,122
Fund balances beginning of year	4,725,601	1,563,669	19,378,964	1,644,624	27,312,858
Fund balances end of year	\$ 7,031,247	2,173,508	17,599,981	3,156,244	29,960,980

See notes to basic financial statements.

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, 2008

**Net change in fund balances - total governmental funds (Exhibit E)** \$ 2,648,122

***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:

Expenditures for capital assets	\$ 13,209,951	
Depreciation expense	<u>(2,090,004)</u>	11,119,947

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Assets. Repayment of long-term debt liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the Statement of Activities. Current year items are as follows:

Proceeds from issuing general obligation bonds	(17,165,000)	
Premiums on general obligation issuance	(205,985)	
Discounts on general obligation issuance	135,814	
Repayments of bond and note principal	13,215,000	
Amortization of premiums and discounts	<u>43,904</u>	(3,976,267)

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, interest expense is recognized as the interest accrues, regardless of when it is due. (184,590)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Early retirement	(7,728)	
Compensated absences	<u>(4,414)</u>	(12,142)

The change in net assets of the Internal Service Funds represent an undercharge to the governmental funds served and, therefore, increases expenses in the Statement of Activities. 83,770

**Change in net assets of governmental activities (Exhibit B)** \$ 9,678,840

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2008

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,161,763	112,983
Receivables:		
Accounts	9,243	25,191
Inventories	46,655	-
Total current assets	<u>1,217,661</u>	<u>138,174</u>
Non-current assets:		
Capital assets:		
Equipment	1,803,298	-
Accumulated depreciation	(729,881)	-
Total noncurrent assets	<u>1,073,417</u>	<u>-</u>
<b>Total assets</b>	<u>2,291,078</u>	<u>138,174</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	14,213	-
Salaries and benefits payable	14,271	-
Deferred revenue	38,050	-
<b>Total current liabilities</b>	<u>66,534</u>	<u>-</u>
<b>Net Assets</b>		
Invested in capital assets	1,073,417	-
Unrestricted	1,151,127	138,174
<b>Total net assets</b>	<u>\$ 2,224,544</u>	<u>138,174</u>

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
Year ended June 30, 2008

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Operating revenue:		
Local sources:		
Charges for services	\$ 2,608,137	553,296
Operating expenses:		
Instructional programs:		
Regular instruction	11,932	-
Support services:		
Administration services	348,150	-
Operation and maintenance of plant services	4,620	-
Transportation services	6,558	-
	359,328	-
Non-instructional programs:		
Food service operations:		
Depreciation	143,628	-
Other	1,989,923	-
	2,133,551	-
Other enterprise operations:		
Depreciation	1,153	-
Other	505,372	470,444
	506,525	470,444
	2,640,076	470,444
Total operating expenses	3,011,336	470,444
Operating income (loss)	(403,199)	82,852
Non-operating revenues:		
Interest on investments	40,396	918
Contributions	28	-
State sources	22,964	-
Federal sources	481,376	-
Total non-operating revenues	544,764	918
Net income before capital contributions	141,565	83,770
Capital contributions	621,256	-
Change in net assets	762,821	83,770
Net assets beginning of year	1,461,723	54,404
Net assets end of year	\$ 2,224,544	138,174

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year ended June 30, 2008

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 1,920,073	-
Cash received from miscellaneous operating activities	693,721	528,105
Cash payments to employees for services	(1,592,855)	(482,139)
Cash payments to suppliers for goods or services	(1,172,533)	-
Net cash used by operating activities	<u>(151,594)</u>	<u>45,966</u>
Cash flows from non-capital financing activities:		
Contributions - noncapital	28	-
State grants received	22,964	-
Federal grants received	376,962	-
Net cash provided by non-capital financing activities	<u>399,954</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Capital contributions	621,256	-
Acquisition of capital assets	(705,313)	-
Net cash used in capital and related financing activities	<u>(84,057)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	40,396	918
Net increase in cash and cash equivalents	204,699	46,884
Cash and cash equivalents at beginning of year	957,064	66,099
Cash and cash equivalents at end of year	<u>\$ 1,161,763</u>	<u>112,983</u>
<b>Reconciliation of operating income (loss) to net cash used by operating activities:</b>		
Operating income (loss)	\$ (403,199)	13,698
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Commodities used	104,414	-
Depreciation	144,781	-
Decrease (Increase) in accounts receivable	(683)	35
(Increase) in inventories	(8,981)	-
Increase (decrease) in accounts payable	5,862	(14,146)
(Decrease) in salaries and benefits payable	(128)	-
Increase in deferred revenue	6,340	-
Net cash used by operating activities	<u>\$ (151,594)</u>	<u>(413)</u>
<b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:</b>		
Current assets:		
Cash and investments	\$ 1,161,763	112,983
Cash and cash equivalents at year end	<u>\$ 1,161,763</u>	<u>112,983</u>

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2008, the District received federal commodities valued at \$104,414.

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2008

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Cash and pooled investments	\$ 229,604	9,675
<b>Total assets</b>	229,604	9,675
<b>Liabilities:</b>		
Accounts payable	-	10
Other payables	-	9,665
<b>Total liabilities</b>	-	9,675
<b>Net assets</b>		
Assets held in trust for scholarships	229,604	-
<b>Total net assets</b>	\$ 229,604	-

See notes to financial statements.

Exhibit K

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
Year Ended June 30, 2008

	Private Purpose Trust
	Scholarship
Additions:	
Local sources:	
Interest	\$ 10,579
Total revenues	10,579
Deductions:	
Instruction:	
Other	1,233
Total expenditures	1,233
Change in net assets	9,346
Net assets beginning of year	220,258
Net assets end of year	\$ 229,604

See notes to financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(1) **Summary of Significant Accounting Policies**

The 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.

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Dallas County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary 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, but can be removed or modified.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*  
B. Basis of Presentation (continued from previous page)

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 government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

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

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

General Fund: The General Fund accounts for all sources used to finance District operation and maintenance, except those required to be accounted for in another fund.

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

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

The other governmental funds of the District are considered non-major and are as follows:

Special Revenue Funds: The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

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

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

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*

B. *Basis of Presentation (continued from previous page)*

*Special Revenue Funds (continued from previous page)*

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

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

*Enterprise Funds:* Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the District has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

The following enterprise funds of the District are considered non-major:

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

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

The following enterprise funds of the District are considered major:

Internal Service Funds: This includes the Flexible Benefits Fund and the Self-Funded Dental Plan Fund which are used to account for the flexible benefits program and the dental insurance plan offered by the District.

**Fiduciary Fund Types:** Fiduciary funds account for assets held by the District in a trustee or agency capacity for the benefit of others and cannot be used to support District activities. The District has the following fiduciary fund type:

*Private Purpose Trust Fund:* This fund accounts for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

*Agency Fund:* This fund accounts 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  
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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 Funds are 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  
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investments in the Iowa Schools Joint Investment Trust and IPAS Education, 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 the governmental funds are accounted for using the modified accrual basis of accounting.

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2006 assessed property valuations; is for the tax accrual period July 1, 2007 through June 30, 2008 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2007.

Interfund Receivables and Payables – During the course of its operations, the District may have certain transactions between funds or pooled cash balances. At June 30, 2008 there were no interfund receivable or payable amounts to report.

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 government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-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.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*  
*Capital Assets (continued from previous page)*

<u>Asset Class</u>	<u>Amount</u>
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 (with the exception of land and construction in progress, which are not depreciated) are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-20 years

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

Deferred and Unearned Revenue - Although certain revenues are measurable, they are not available. Available means 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 fund financial statements represent 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 consists of the succeeding year's property tax receivable.

Unearned revenue on the Statement of Net Assets consists of the succeeding year's property tax receivable that will not be recognized as revenue until the year for which it is levied and other unearned proceeds.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2008. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(1) *Summary of Significant Accounting Policies (continued from previous page)*

D. Assets, Liabilities and Fund Equity (continued from previous page)

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

Restricted Net Assets – In the government-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 Accounting

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. During the year ended June 30, 2008, expenditures in the instruction functional area exceeded the amount budgeted.

(2) **Cash and Pooled Investments**

As of June 30, 2008, the carrying amount of the District's bank deposits and pooled investments totaled \$35,674,205 with actual bank balances of \$1,260,283 and investment balances of \$34,413,922. Of the bank balances, \$300,000 was covered by federal depository insurance and \$960,283 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.

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.

At June 30, 2008, the District had investments in the following:

Type	Amortized Cost/Fair Value
Iowa Schools Joint Investment Trust -	
Diversified Portfolio	\$ 1,277,810
IPASeducation	29,462,456
Money Market Mutual Fund	3,473,656
Negotiable Certificates of Deposit	200,000
	\$ 34,413,922

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(2) *Cash and Pooled Investments (continued from previous page)*

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.

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.

(3) **Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2008 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service Fund	Physical Plant and Equipment Levy	\$ 1,848,769
Debt Service Fund	Capital Projects Fund	3,478,313
		<u>\$ 5,327,082</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  
Year Ended June 30, 2008

(4) Capital Assets

Capital assets activity for the year ended June 30, 2008 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 4,939,976	-		4,939,976
Construction in progress	21,240,044	13,080,340	29,040,380	5,280,004
Total capital assets not being depreciated	26,180,020	13,080,340	29,040,380	10,219,980
Capital assets being depreciated:				
Buildings	66,073,226	28,419,124	-	94,492,350
Improvements other than buildings	3,656,562	-	-	3,656,562
Furniture and equipment	2,324,453	750,867	-	3,075,320
Total capital assets being depreciated	72,054,241	29,169,991	-	101,224,232
Less accumulated depreciation for:				
Buildings	9,661,324	1,599,751	-	11,261,075
Improvements other than buildings	1,381,418	153,347	-	1,534,765
Furniture and equipment	975,693	336,906	-	1,312,599
Total accumulated depreciation	12,018,435	2,090,004	-	14,108,439
Total capital assets being depreciated, net	60,035,806	27,079,987	-	87,115,793
Governmental activities capital assets, net	\$ 86,215,826	40,160,327	29,040,380	97,335,773
<b>Business type activities:</b>				
Furniture and equipment	\$ 1,097,985	705,313	-	1,803,298
Less accumulated depreciation	585,100	144,781	-	729,881
Business-type activities capital assets, net	\$ 512,885	560,532	-	1,073,417

Depreciation expense was charged by the District as follows:

Governmental activities:		
Instruction:		
Regular		\$ 1,849,654
Special ed		\$ 1,045
Other		1,045
Support services:		
Student services		209
Instructional staff services		19,228
Administration		52,250
Operation and maintenance of plant		37,620
Transportation		627
		1,961,678
Unallocated		128,326
Total depreciation expense - governmental activities		\$ 2,090,004
Business type activities:		
Food services		\$ 143,628
Community Daycare		1,153
		\$ 144,781

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(5) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2008 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Capital loan notes	\$ 13,905,000	-	1,330,000	12,575,000	1,380,000
Revenue bonds	18,900,000	-	2,500,000	16,400,000	2,475,000
General obligation bonds	52,590,000	17,165,000	9,385,000	60,370,000	4,990,000
Early retirement	619,543	194,597	186,869	627,271	114,788
Compensated absences	140,402	4,414	-	144,816	144,816
	<u>\$ 86,154,945</u>	<u>17,364,011</u>	<u>13,401,869</u>	<u>90,117,087</u>	<u>9,104,604</u>

Capital Loan Notes Payable

Details of the District's June 30, 2008 capital loan note indebtedness are as follows:

Capital Loan Note of February 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2009	3.50%	\$ 1,380,000	471,819	1,851,819
2010	3.50%	1,430,000	423,519	1,853,519
2011	3.50%	1,480,000	373,469	1,853,469
2012	3.625%	1,535,000	321,669	1,856,669
2013	3.750%	1,590,000	266,025	1,856,025
2014	4.000%	1,655,000	206,400	1,861,400
2015	4.000%	1,720,000	140,200	1,860,200
2016	4.000%	1,785,000	71,400	1,856,400
Total		<u>\$ 12,575,000</u>	<u>2,274,501</u>	<u>14,849,501</u>

Revenue Bonds

Details of the District's June 30, 2008 School Infrastructure Local Option Sales and Services Tax Revenue Bond indebtedness is as follows:

LOSST Revenue Bond of January 1, 2007				
Year ended June 30,	Rates	Principal	Interest	Total
2009	4.00%	\$ 2,475,000	690,812	3,165,812
2010	4.25%	2,570,000	591,812	3,161,812
2011	4.25%	2,675,000	482,588	3,157,588
2012	4.250%	2,780,000	368,900	3,148,900
2013	4.250%	2,890,000	250,750	3,140,750
2014	4.250%	3,010,000	127,926	3,137,926
Total		<u>\$ 16,400,000</u>	<u>2,512,788</u>	<u>18,912,788</u>

The local option sales and services tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(5) *Long-Term Liabilities (continued from previous page)*

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

- a) \$1,890,000 of the proceeds from the issuance of the revenue bonds shall be deposited to a Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Project Account.
- b) All proceeds from the local option sales and services tax shall be placed in a Revenue Account.
- c) Monies in the Revenue Account shall be disbursed to make deposits into a Sinking Account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2008.

Bonds Payable

Details of the District's June 30, 2008 general obligation bonded indebtedness are as follows:

(5) *Long-Term Liabilities (continued from previous page)*

March 1, 2001 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
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		2,520,000	1,007,496	3,527,496

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(5) *Long-Term Liabilities (continued from previous page)*  
*Bonds Payable (continued from previous page)*

April 1, 2002 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
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		5,760,000	2,515,845	8,275,845

November 15, 2002 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2009	3.000%	\$ 595,000	134,825	729,825
2010	3.250%	640,000	116,975	756,975
2011	3.300%	640,000	96,175	736,175
2012	3.400%	680,000	75,055	755,055
2013	3.600%	100,000	51,935	151,935
2014	3.800%	105,000	48,335	153,335
2015	4.000%	110,000	44,345	154,345
2016	4.000%	115,000	39,945	154,945
2017	4.100%	120,000	35,345	155,345
2018	4.200%	125,000	30,425	155,425
2019	4.300%	130,000	25,175	155,175
2020	4.400%	140,000	19,585	159,585
2021	4.500%	145,000	13,425	158,425
2022	4.600%	150,000	6,900	156,900
Subtotal		3,795,000	738,445	4,533,445

June 1, 2003 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2009	2.750%	\$ 105,000	321,945	426,945
2010	3.000%	110,000	319,058	429,058
2011	3.000%	110,000	315,758	425,758
2012	3.100%	120,000	312,458	432,458
2013	3.250%	100,000	308,738	408,738
2014	3.350%	100,000	305,488	405,488
2015	3.450%	100,000	302,138	402,138
2016	3.550%	105,000	298,688	403,688
2017	3.650%	105,000	294,960	399,960
2018	3.750%	110,000	291,128	401,128
2019	3.850%	205,000	287,003	492,003
2020	3.900%	1,200,000	279,110	1,479,110
2021	4.000%	1,730,000	232,310	1,962,310
2022	4.000%	1,915,000	163,110	2,078,110
2023	4.100%	2,110,000	86,510	2,196,510
Subtotal		8,225,000	4,118,402	12,343,402

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(5) *Long-Term Liabilities (continued from previous page)*  
*Bonds Payable (continued from previous page)*

March 1, 2005 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2009	3.450%	\$ 535,000	175,950	710,950
2010	3.450%	520,000	157,492	677,492
2011	3.450%	575,000	139,553	714,553
2012	3.450%	570,000	119,715	689,715
2013	3.450%	680,000	100,050	780,050
2014	3.450%	705,000	76,590	781,590
2015	3.450%	745,000	52,267	797,267
2016	3.450%	770,000	26,565	796,565
Subtotal		5,100,000	848,182	5,948,182

July 1, 2006 Refunding Bond Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2009	4.00%	\$ 120,000	177,425	297,425
2010	4.00%	140,000	172,625	312,625
2011	4.25%	150,000	167,025	317,025
2012	4.25%	125,000	160,650	285,650
2013	4.25%	305,000	155,338	460,338
2014	4.25%	320,000	142,375	462,375
2015	4.25%	200,000	128,775	328,775
2016	4.25%	230,000	120,275	350,275
2017	4.25%	855,000	110,500	965,500
2018	4.25%	855,000	74,162	929,162
2019	4.25%	890,000	37,825	927,825
Subtotal		4,190,000	1,446,975	5,636,975

April 1, 2008 Refunding Bond Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2009	3.375%	\$ 280,000	296,348	576,348
2010	3.250%	330,000	244,562	574,562
2011	3.250%	325,000	233,838	558,838
2012	3.250%	370,000	223,275	593,275
2013	3.500%	750,000	211,250	961,250
2014	3.500%	785,000	185,000	970,000
2015	3.500%	930,000	157,525	1,087,525
2016	3.750%	945,000	124,975	1,069,975
2017	3.500%	965,000	89,538	1,054,538
2018	3.625%	970,000	55,762	1,025,762
2019	4.000%	515,000	20,600	535,600
Subtotal		7,165,000	1,842,673	9,007,673

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(5) *Long-Term Liabilities (continued from previous page)*  
*Bonds Payable (continued from previous page)*

Year ended June 30,	April 1, 2008 Issue			
	Rates	Principal	Interest	Total
2009	4.500%	\$ 2,700,000	450,000	3,150,000
2010	4.500%	250,000	328,500	578,500
2011	4.500%	265,000	317,250	582,250
2012	4.500%	275,000	305,326	580,326
2013	4.500%	285,000	292,950	577,950
2014	4.500%	300,000	280,126	580,126
2015	4.500%	315,000	266,626	581,626
2016	4.500%	325,000	252,450	577,450
2017	4.500%	340,000	237,826	577,826
2018	4.500%	355,000	222,526	577,526
2019	4.500%	375,000	206,550	581,550
2020	4.500%	390,000	189,676	579,676
2021	4.500%	410,000	172,126	582,126
2022	4.500%	425,000	153,676	578,676
2023	4.500%	445,000	134,550	579,550
2024	4.500%	465,000	114,526	579,526
2025	4.500%	485,000	93,600	578,600
2026	4.500%	510,000	71,776	581,776
2027	4.500%	530,000	48,826	578,826
2028	4.500%	555,000	24,976	579,976
Subtotal		\$ 10,000,000	4,163,862	14,163,862

Year ended June 30,	Totals		
	Principal	Interest	Total
2009	\$ 4,990,000	\$ 2,505,519	7,495,519
2010	2,660,000	2,262,213	4,922,213
2011	2,745,000	2,165,855	4,910,855
2012	2,905,000	2,066,993	4,971,993
2013	2,995,000	1,961,554	4,956,554
2014	3,110,000	1,848,718	4,958,718
2015	3,215,000	1,730,560	4,945,560
2016	3,325,000	1,608,585	4,933,585
2017	3,460,000	1,479,030	4,939,030
2018	3,585,000	1,338,282	4,923,282
2019	3,725,000	1,189,798	4,914,798
2020	3,965,000	1,027,362	4,992,362
2021	4,130,000	853,344	4,983,344
2022	4,320,000	675,071	4,995,071
2023	4,490,000	493,150	4,983,150
2024	4,670,000	302,526	4,972,526
2025	485,000	93,600	578,600
2026	510,000	71,776	581,776
2027	530,000	48,826	578,826
2028	555,000	24,976	579,976
Total	\$ 60,370,000	23,747,738	84,117,738

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

(5) *Long-Term Liabilities (continued from previous page)*

Advance Refunding – During the current year, the District issued \$7,165,000 of refunding bonds to provide the resources for an advance refunding on the District’s bonds dated July 1, 1997, July 1, 1998 and June 1, 1999. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$624,517 and resulted in an economic gain of approximately \$609,517.

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 years of continuous 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. The early retirement cash benefits will be paid in July following the start of retirement. Early retirement benefits are paid by the Special Revenue, Management Levy Fund.

At June 30, 2008, the District has obligations to 33 participants with a total liability of \$627,271. Actual early retirement expenditures for the year ended June 30, 2008 totaled \$186,869. The long-term portion of early retirement is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

(6) **Operating Leases**

The District is obligated under equipment leases for two trucks and for several copiers. These leases are 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 for the trucks and monthly lease payments of \$12,322 for the copiers.

The total annual lease payments under the lease agreements are as follows:

Year ending June 30,	Truck Leases	Copier Leases	Total
2009	\$ 5,197	49,288	54,485
	\$ 5,197	49,288	54,485

The total payments under the lease agreements for the year ended June 30, 2008 were \$54,485.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

**(7) 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 3.90% of their annual covered salary and the District is required to contribute 6.05% of annual covered payroll for the year ended June 30, 2008. Plan members were required to contribute 3.70% of their annual salary and the District was required to contribute 5.75% of annual covered payroll for the years ended June 30, 2007 and 2006. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2008, 2007 and 2006 were \$1,542,080, \$1,233,735, and \$1,042,037, respectively, equal to the required contributions for each year.

**(8) 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. During the year ended June 30, 2008, there were no significant reductions in coverage. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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 reports the plan in the Internal Service, Self-Funded Dental Plan Fund. There was no claims liability at June 30, 2008.

A reconciliation of changes in the aggregate liabilities for claims for the year ended June 30, 2008 is as follows:

Unpaid claims at July 1, 2007	\$	-
Incurred claims		218,527
Payment		218,527
Unpaid claims at June 30, 2008	\$	-

**(9) Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$1,696,590 for the year ended June 30, 2008 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

**(10) Construction Commitments**

The District entered into a contract totaling \$10,162,419 for the construction of a BA/SB Complex and a stadium upgrade for the middle school. As of June 30, 2008, costs of \$5,280,004 had been incurred against the contracts. The balance of \$4,882,415 remaining at June 30, 2008 will be paid as work on the projects progresses.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2008

**(11) Contingency**

The District has three ongoing lawsuits. The proceedings are still in the litigation stage and their outcomes cannot be determined at this time.

**(12) Disaggregation of Receivables and Payables**

Receivables and payables are disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the next year.

**Required Supplementary Information**

WAUKEE COMMUNITY SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN BALANCES - BUDGET AND ACTUAL  
 ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 Year ended June 30, 2008

	Governmental Funds Actual	Proprietary Funds Actual
Revenues:		
Local sources	\$ 36,032,757	2,648,561
State sources	21,804,292	22,964
Federal sources	479,500	481,376
Total revenues	<u>58,316,549</u>	<u>3,152,901</u>
Expenditures:		
Instruction	27,356,010	11,932
Support services	14,419,594	359,328
Noninstructional programs	29,955	2,640,076
Other expenditures	31,098,039	-
Total expenditures	<u>72,903,598</u>	<u>3,011,336</u>
Excess (deficiency) of revenues over (under) expenditures	(14,587,049)	141,565
Other financing sources, net	<u>17,235,171</u>	<u>621,256</u>
Excess of revenues and other financing sources over expenditures and other financing uses	2,648,122	762,821
Balances beginning of year	<u>27,312,858</u>	<u>1,461,723</u>
Balances end of year	<u>\$ 29,960,980</u>	<u>2,224,544</u>

See accompanying independent auditor's report.

Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance- Positive (Negative)
38,681,318	33,970,805	4,710,513
21,827,256	21,516,090	311,166
960,876	710,000	250,876
61,469,450	56,196,895	5,272,555
27,367,942	23,973,470	(3,394,472)
14,778,922	21,007,269	6,228,347
2,670,031	2,700,000	29,969
31,098,039	34,118,468	3,020,429
75,914,934	81,799,207	5,884,273
(14,445,484)	(25,602,312)	11,156,828
17,856,427	70,000,000	(52,143,573)
3,410,943	44,397,688	(40,986,745)
28,774,581	22,963,093	5,811,488
32,185,524	67,360,781	(35,175,257)

WAUKEE COMMUNITY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING  
Year ended June 30, 2008

**(1) Basis of Presentation**

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

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

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

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for a budgeted governmental, enterprise and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, non-instructional programs and other expenditures. During the year ended June 30, 2008, the District over-expended the instruction functional area by \$3,394,472. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations, as adopted and amended, lapse at the end of the fiscal year.

The District is required by the Code of Iowa to budget for its share of media, education services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$1,696,590 for the year ended June 30, 2008.

**Other Supplementary Information**

WAUKEE COMMUNITY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2008

<b>Assets</b>	Management	Student Activity	Physical Plant and Equipment Levy	Total
Current Assets:				
Cash and pooled investments	\$ 689,730	469,709	2,011,370	3,170,809
Receivables:				
Property tax:				
Current year delinquent	10,255	-	-	10,255
Succeeding year	999,997	-	3,609,431	4,609,428
Accounts	-	1,451	30,261	31,712
<b>Total assets</b>	<b>\$ 1,699,982</b>	<b>471,160</b>	<b>5,651,062</b>	<b>7,822,204</b>
<b>Liabilities and Fund Balances</b>				
Current Liabilities:				
Accounts payable	\$ 359	48,037	8,136	56,532
Deferred revenue:				
Succeeding year property tax	999,997	-	3,609,431	4,609,428
Total liabilities	<u>1,000,356</u>	<u>48,037</u>	<u>3,617,567</u>	<u>4,665,960</u>
Fund balances:				
Unreserved, undesignated	<u>699,626</u>	<u>423,123</u>	<u>2,033,495</u>	<u>3,156,244</u>
<b>Total liabilities and fund balances</b>	<b>\$ 1,699,982</b>	<b>471,160</b>	<b>5,651,062</b>	<b>7,822,204</b>

See accompanying independent auditor's report.

## Schedule 2

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Year ended June 30, 2008

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	\$ 1,085,244	-	3,102,316	4,187,560
Excise taxes	8,755	-	19,500	28,255
Other taxes	1,203	-	2,787	3,990
	<u>1,095,202</u>	<u>-</u>	<u>3,124,603</u>	<u>4,219,805</u>
Other local sources:				
Interest on investments	7,775	16,147	54,800	78,722
Student activities	-	622,577	-	622,577
Donations	-	106,163	-	106,163
Other local revenue	59,826	103,865	-	163,691
	<u>67,601</u>	<u>848,752</u>	<u>54,800</u>	<u>971,153</u>
	<u>1,162,803</u>	<u>848,752</u>	<u>3,179,403</u>	<u>5,190,958</u>
State sources:				
Revenue in lieu of taxes :				
Military credit	218	-	532	750
Total revenues	<u>1,163,021</u>	<u>848,752</u>	<u>3,179,935</u>	<u>5,191,708</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction:				
Benefits	213,449	-	-	213,449
Property	-	-	40,612	40,612
	<u>213,449</u>	<u>-</u>	<u>40,612</u>	<u>254,061</u>
Co-curricular instruction:				
Salaries	-	19,974	-	19,974
Benefits	-	2,737	-	2,737
Purchased services	-	91,170	-	91,170
Supplies	-	601,272	-	601,272
Property	-	21,329	-	21,329
Other	-	85,654	-	85,654
	<u>-</u>	<u>822,136</u>	<u>-</u>	<u>822,136</u>
Total instruction	<u>213,449</u>	<u>822,136</u>	<u>40,612</u>	<u>1,076,197</u>

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Year ended June 30, 2008

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Current:				
Support Services:				
Student support:				
Benefits	14,184	-	-	14,184
Instructional staff support:				
Purchased services	7,136	-	-	7,136
	7,136	-	-	7,136
General administration:				
Benefits	5,855	-	-	5,855
Purchased services	10,547	-	-	10,547
	16,402	-	-	16,402
Building administration:				
Benefits	63,766	-	-	63,766
	63,766	-	-	63,766
Business administration:				
Benefits	7,318	-	-	7,318
Purchased services	-	108	-	108
Supplies	-	67	-	67
	7,318	175	-	7,493
Plant operation and maintenance:				
Benefits	49,799	-	-	49,799
Purchased services	215,040	-	-	215,040
	264,839	-	-	264,839
Total support services	373,645	175	-	373,820
Non-instructional Programs:				
Food services				
Benefits	6,828	-	-	6,828
Total non-instructional programs	6,828	-	-	6,828

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Year ended June 30, 2008

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<b><i>Continued from previous page</i></b>				
Expenditures:				
Capital outlay:				
Other expenditures:				
Facilities acquisition:				
Purchased services	-	-	244,554	244,554
Supplies	-	-	3,658	3,658
Property	-	-	126,262	126,262
	-	-	374,474	374,474
Total expenditures	593,922	822,311	415,086	1,831,319
Excess of revenues over expenditures	569,099	26,441	2,764,849	3,360,389
Other financing uses:				
Operating transfers out	-	-	(1,848,769)	(1,848,769)
Total other financing uses	-	-	(1,848,769)	(1,848,769)
Excess of revenues over expenditures and other financing uses	569,099	26,441	916,080	1,511,620
Fund balances beginning of year	130,527	396,682	1,117,415	1,644,624
Fund balances end of year	\$ 699,626	423,123	2,033,495	3,156,244

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT  
COMBINING SCHEDULE OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2008

	Business Type Activities			Governmental Activities		
	Nonmajor Enterprise Funds			Internal Service Funds		
	School Nutrition	Community Daycare	Total	Flexible Benefits	Self-funded Dental Plan	Total
<b>Assets</b>						
Current assets:						
Cash and pooled investments	\$ 825,295	336,468	1,161,763	53,808	59,175	112,983
Receivables:						
Accounts	1,423	7,820	9,243	25,079	112	25,191
Inventories	46,655	-	46,655	-	-	-
Total current assets	<u>873,373</u>	<u>344,288</u>	<u>1,217,661</u>	<u>78,887</u>	<u>59,287</u>	<u>138,174</u>
Noncurrent assets:						
Capital assets:						
Equipment	1,784,440	18,858	1,803,298	-	-	-
Accumulated depreciation	(726,472)	(3,409)	(729,881)	-	-	-
Total noncurrent assets	<u>1,057,968</u>	<u>15,449</u>	<u>1,073,417</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>1,931,341</u>	<u>359,737</u>	<u>2,291,078</u>	<u>78,887</u>	<u>59,287</u>	<u>138,174</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	7,061	7,152	14,213	-	-	-
Salaries and benefits payable	14,271	-	14,271	-	-	-
Deferred revenue	38,050	-	38,050	-	-	-
<b>Total current liabilities</b>	<u>59,382</u>	<u>7,152</u>	<u>66,534</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>						
Invested in capital assets	1,057,968	15,449	1,073,417	-	-	-
Unrestricted	813,991	337,136	1,151,127	78,887	59,287	138,174
<b>Total net assets</b>	<u>\$ 1,871,959</u>	<u>352,585</u>	<u>2,224,544</u>	<u>78,887</u>	<u>59,287</u>	<u>138,174</u>

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 PROPRIETARY FUNDS  
 Year ended June 30, 2008

	Business Type Activities			Governmental Activities		
	Nonmajor Enterprise Funds			Internal Service Funds		
	School Nutrition	Community Daycare	Total	Flexible Benefits	Self-funded Dental Plan	Total
Operating revenue:						
Local sources:						
Charges for services	\$ 1,908,746	699,391	2,608,137	306,511	246,785	553,296
Operating expenses:						
Instructional programs:						
Regular instruction:						
Supplies	-	1,334	1,334	-	-	-
Other	-	10,598	10,598	-	-	-
	-	11,932	11,932	-	-	-
Support services:						
Administration services:						
Salaries	236,057	-	236,057	-	-	-
Benefits	68,579	-	68,579	-	-	-
Purchased services	32,811	10,703	43,514	-	-	-
	337,447	10,703	348,150	-	-	-
Operation and maintenance:						
Supplies	4,620	-	4,620	-	-	-
	4,620	-	4,620	-	-	-
Transportation services:						
Purchased services	-	6,558	6,558	-	-	-
	-	6,558	6,558	-	-	-
	342,067	17,261	359,328	-	-	-
Non-instructional programs:						
Food service operations:						
Salaries	633,911	-	633,911	-	-	-
Benefits	185,718	-	185,718	-	-	-
Purchased services	50,134	-	50,134	-	-	-
Supplies	1,119,925	-	1,119,925	-	-	-
Other	235	-	235	-	-	-
Depreciation	143,628	-	143,628	-	-	-
	2,133,551	-	2,133,551	-	-	-
Other enterprise operations:						
Salaries	-	392,853	392,853	-	-	-
Benefits	-	75,609	75,609	251,917	218,527	470,444
Purchased services	-	-	-	-	-	-
Supplies	-	36,910	36,910	-	-	-
Other	-	-	-	-	-	-
Depreciation	-	1,153	1,153	-	-	-
	-	506,525	506,525	251,917	218,527	470,444
	2,133,551	506,525	2,640,076	251,917	218,527	470,444
Total operating expenses	2,475,618	535,718	3,011,336	251,917	218,527	470,444
Operating income (loss)	(566,872)	163,673	(403,199)	54,594	28,258	82,852

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 PROPRIETARY FUNDS  
 Year ended June 30, 2008

	Business Type Activities			Governmental Activities		
	Nonmajor Enterprise Funds			Internal Service Funds		
	School Nutrition	Community Daycare	Total	Flexible Benefits	Self-funded Dental Plan	Total
Non-operating revenues:						
Interest on investments	30,670	9,726	40,396	918	-	918
Contributions	-	28	28	-	-	-
State sources	22,964	-	22,964	-	-	-
Federal sources	376,962	-	376,962	-	-	-
Federal food commodities revenue	104,414	-	104,414	-	-	-
Total non-operating revenues	535,010	9,754	544,764	918	-	918
Net income (loss) before capital contributions	(31,862)	173,427	141,565	55,512	28,258	83,770
Capital contributions	621,256	-	621,256	-	-	-
Changes in net assets	589,394	173,427	762,821	55,512	28,258	83,770
Net assets beginning of year	1,282,565	179,158	1,461,723	23,375	31,029	54,404
Net assets end of year	\$ 1,871,959	352,585	2,224,544	78,887	59,287	138,174

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT  
COMBINING SCHEDULE OF CASH FLOWS  
PROPRIETARY FUNDS  
Year ended June 30, 2008

	Business Type Activities			Governmental Activities		
	Nonmajor Enterprise Funds			Internal Service Funds		
	School Nutrition	Community Daycare	Total	Flexible Benefits	Self-funded Dental Plan	Total
<b>Cash flows from operating activities:</b>						
Cash received from sale of lunches and breakfasts	\$ 1,920,073	-	1,920,073	-	-	-
Cash received from miscellaneous operating activities	-	693,721	693,721	281,432	246,673	528,105
Cash payments to employees for services	(1,115,896)	(476,959)	(1,592,855)	(263,612)	(218,527)	(482,139)
Cash payments to suppliers for goods or services	(1,109,993)	(62,540)	(1,172,533)	-	-	-
Net cash used by operating activities	(305,816)	154,222	(151,594)	17,820	28,146	45,966
<b>Cash flows from non-capital financing activities:</b>						
Contributions - noncapital	-	28	28	-	-	-
State grants received	22,964	-	22,964	-	-	-
Federal grants received	376,962	-	376,962	-	-	-
Net cash provided by non-capital financing activities	399,926	28	399,954	-	-	-
<b>Cash flows from capital and related financing activities:</b>						
Capital contributions	621,256	-	621,256	-	-	-
Acquisition of capital assets	(701,495)	(3,818)	(705,313)	-	-	-
Net cash used in capital and related financing activities	(80,239)	(3,818)	(84,057)	-	-	-
<b>Cash flows from investing activities:</b>						
Interest on investments	30,670	9,726	40,396	918	-	918
Net increase in cash and cash equivalents	44,541	160,158	204,699	18,738	28,146	46,884
Cash and cash equivalents at beginning of year	780,754	176,310	957,064	35,070	31,029	66,099
Cash and cash equivalents at end of year	\$ 825,295	336,468	1,161,763	53,808	59,175	112,983
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (566,872)	163,673	(403,199)	54,594	28,258	82,852
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Commodities used	104,414	-	104,414	-	-	-
Depreciation	143,628	1,153	144,781	-	-	-
Decrease (Increase) in accounts receivable	4,987	(5,670)	(683)	(25,079)	(112)	(25,191)
(Increase) in inventories	(8,981)	-	(8,981)	-	-	-
Increase (decrease) in accounts payable	2,299	3,563	5,862	(11,695)	-	(11,695)
Increase (decrease) in salaries and benefits payable	8,369	(8,497)	(128)	-	-	-
Increase in deferred revenue	6,340	-	6,340	-	-	-
Net cash provided (used) by operating activities	(305,816)	154,222	(151,594)	17,820	28,146	45,966
<b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:</b>						
Current assets:						
Cash and investments	\$ 825,295	336,468	1,161,763	53,808	59,175	112,983
Cash and cash equivalents at year end	\$ 825,295	336,468	1,161,763	53,808	59,175	112,983

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2008, the District received federal commodities valued at \$104,414.

See notes to basic financial statements.

## WAUKEE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
Year ended June 30, 2008

Account	Balance Beginning of Year	Revenues	Expendi- tures	Balance End of Year
<b>High School:</b>				
Ambassadors	\$ 78	-	-	78
Annual	23,688	31,262	31,204	23,746
Art Club	197	105	159	143
Athletics	43,512	234,893	272,463	5,942
Auditorium	181	-	-	181
Band Resale	757	5,739	6,496	-
Baseball	2,559	9,423	5,900	6,082
Baseball/Softball Facility	22,305	3,312	1,848	23,769
Best Buddies	171	169	340	-
Boys Basketball	8,112	30,324	31,115	7,321
Boys Cross Country	561	3,046	1,679	1,928
Boys Golf	599	1,263	1,160	702
Boys Soccer	1,100	6,150	7,043	207
Boys Track	847	5,239	4,702	1,384
Cheerleaders	8,026	28,411	29,565	6,872
Class of 2005	2,942	-	-	2,942
Class of 2006	2,620	-	-	2,620
Class of 2007	5,759	-	4,244	1,515
Class of 2008	7,227	4,902	7,814	4,315
Class of 2009	8,386	8,135	9,546	6,975
Class of 2010	3,891	3,900	1,200	6,591
Class of 2011	-	4,645	-	4,645
Dance/Drill Team	4,874	15,730	10,772	9,832
Drama	235	2,855	1,917	1,173
Drumline	73	-	-	73
Electrathon	59	1,000	746	313
FCCLA Club	-	3,642	3,446	196
Flag Team/Color Guard	51	1,125	1,176	-
Football	1,324	45,153	40,156	6,321
Foreign Language Camp	-	237	63	174
German/International Club	674	2,717	2,937	454
Girls Basketball	4,540	11,065	12,261	3,344
Girls Cross Country	923	2,346	2,454	815
Girls Golf	-	2,383	2,195	188
Girls Soccer	3,470	7,487	5,975	4,982
Girls Track	-	4,395	4,395	-
HS Improvement	7,755	8,894	9,787	6,862
HS Musical	4,219	10,438	13,446	1,211
Interest	34,780	16,147	1,330	49,597
National Honor Society	266	100	121	245
Pep Club	167	-	-	167
SADD	436	-	-	436
SELF Room	87	1,132	362	857
Skills USA	672	-	-	672
Softball	3,584	12,237	15,821	-
Speech	2,389	-	754	1,635
Student Council	1,817	6,118	7,935	-
Vocal Music	1,934	8,816	7,823	2,927

## WAUKEE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
Year ended June 30, 2008

Account	Balance Beginning of Year	Revenues	Expendi- tures	Balance End of Year
Volleyball	5,691	19,894	12,785	12,800
Weight Room	660	500	719	441
Wrestling	-	10,356	10,356	-
Youth for Safe Schools	380	-	-	380
<b><u>Prairieview:</u></b>				
Art Club	1,618	525	74	2,069
Athletic Resale	8,761	19,403	20,100	8,064
Band Resale	-	294	294	-
Concessions	292	-	-	292
Dance Team	1,301	-	-	1,301
Drama	-	2,570	2,313	257
Drama Troupe	2,000	1,386	150	3,236
Improvement Fund	9,379	10,114	11,021	8,472
Student Council	810	-	-	810
Swing Choir	471	-	-	471
Yearbook	9,929	11,771	21,700	-
<b><u>Middle School:</u></b>				
6th Grade	130	-	-	130
7th Grade	135	-	-	135
8th Grade	204	-	-	204
Athletic Resale	1,931	-	-	1,931
Band	917	1,843	589	2,171
Concessions	1,171	-	-	1,171
Drama/Speech/Musical	6,350	4,018	2,146	8,222
Improvement Fund	11,211	83,462	58,565	36,108
MS SELF	550	-	-	550
Swing Choir	5,253	3,606	1,130	7,729
Yearbook	3,963	12,392	10,238	6,117
<b><u>Elementary:</u></b>				
BV Band	89	-	-	89
BV Improvement	17,053	17,793	15,839	19,007
BV Student Council	2,022	1,950	1,345	2,627
Eason Band Resale	300	-	-	300
Eason Fine Arts	3,347	10,077	6,613	6,811
Eason Improvement	18,038	19,741	19,344	18,435
Eason Playground Project	2,871	-	-	2,871
Eason Student Council	2,150	-	-	2,150
MG Improvement	-	33,709	26,407	7,302
WE Band Resale	409	-	404	5
WE Fine Art	165	-	-	165
WE Improvement	33,873	11,785	17,854	27,804
WE Playground	2,710	-	-	2,710
WE Student Council	4,774	-	-	4,774
WH Band	96	36	-	132
WH Improvement	17,831	26,592	19,975	24,448
Total	<u>\$ 396,682</u>	<u>848,752</u>	<u>822,311</u>	<u>423,123</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, 2008

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Assets</b>				
Cash	\$ 7,999	3,784	2,108	9,675
<b>Total assets</b>	<b>\$ 7,999</b>	<b>3,784</b>	<b>2,108</b>	<b>9,675</b>
<b>Liabilities</b>				
Accounts payable	\$ 151	10	151	10
Other payables	7,848	3,784	1,967	9,665
<b>Total liabilities</b>	<b>\$ 7,999</b>	<b>3,794</b>	<b>2,118</b>	<b>9,675</b>

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 SIX YEARS

	Modified Accrual Basis					
	2008	2007	2006	2005	2004	2003
Revenues:						
Local sources:						
Local tax	\$ 32,425,053	26,907,371	21,898,342	18,724,901	14,220,453	12,501,101
Tuition	1,175,066	1,209,866	1,267,893	1,176,813	1,258,916	1,274,538
Other	2,432,638	2,604,416	1,935,241	1,383,507	914,311	959,469
State sources	21,804,292	18,700,021	16,110,389	13,424,393	10,926,968	9,691,405
Federal sources	479,500	485,203	437,201	407,377	254,243	207,125
Total	<u>\$ 58,316,549</u>	<u>49,906,877</u>	<u>41,649,066</u>	<u>35,116,991</u>	<u>27,574,891</u>	<u>24,633,638</u>
Expenditures:						
Instruction:						
Regular instruction	\$ 20,040,299	16,944,785	14,497,759	12,045,774	10,074,061	9,180,177
Special instruction	4,926,113	4,233,291	3,387,132	3,061,467	2,679,023	2,303,872
Other instruction	2,389,598	2,147,056	2,096,796	1,896,088	1,443,770	1,354,138
Support services:						
Student services	2,518,458	1,413,137	1,289,559	1,274,069	983,108	927,615
Instructional staff services	2,450,310	1,631,053	1,393,248	1,475,734	1,331,528	604,992
Administration services	3,639,159	2,909,779	2,711,319	2,270,519	1,965,351	1,515,229
Operation and maintenance of plant services	3,829,770	3,023,278	2,764,387	2,114,247	1,584,289	1,567,336
Transportation services	1,981,897	1,853,584	1,590,878	1,097,493	874,909	762,357
Non-instructional programs	29,955	265	-	-	369	352
Other expenditures:						
Capital outlay:						
Facilities acquisition	13,080,340	21,356,585	5,593,186	11,528,812	16,567,624	5,343,943
Debt Service:						
Principal	13,215,000	3,100,000	2,230,000	8,335,000	2,290,000	2,090,000
Interest	3,097,409	3,166,074	2,500,741	2,391,214	2,082,149	1,900,449
Fiscal charges	8,700	4,800	90,809	86,343	96,130	-
AEA flowthrough	1,696,590	1,434,517	1,198,063	995,297	823,781	770,245
Total	<u>\$ 72,903,598</u>	<u>63,218,204</u>	<u>41,343,877</u>	<u>48,572,057</u>	<u>42,796,092</u>	<u>28,320,705</u>

See accompanying independent auditor's report.



WAUKEE COMMUNITY SCHOOL DISTRICT

NET ASSETS BY COMPONENT

Last Six Fiscal Years  
(Unaudited)

	Year ended June 30,					
	2008	2007	2006	2005	2004	2003
<b>Governmental activities:</b>						
Invested in capital assets, net of related debt	\$ 18,331,620	\$ 14,051,616	\$ 10,019,928	\$ 8,282,400	\$ 6,054,028	\$ 3,651,585
Restricted	9,922,010	7,820,732	6,441,728	2,627,733	729,161	947,466
Unrestricted	8,112,790	4,815,232	1,594,739	705,403	1,162,141	1,141,673
<b>Total governmental activities net assets</b>	<b>\$ 36,366,420</b>	<b>\$ 26,687,580</b>	<b>\$ 18,056,395</b>	<b>\$ 11,615,536</b>	<b>\$ 7,945,330</b>	<b>\$ 5,740,724</b>
<b>Business type activities:</b>						
Invested in capital assets	\$ 1,073,417	\$ 736,602	\$ 578,088	\$ 548,174	\$ 377,917	\$ 403,898
Restricted	-	-	-	-	-	-
Unrestricted	1,151,127	725,121	643,482	459,532	508,045	344,362
<b>Total business type activities net assets</b>	<b>\$ 2,224,544</b>	<b>\$ 1,461,723</b>	<b>\$ 1,221,570</b>	<b>\$ 1,007,706</b>	<b>\$ 885,962</b>	<b>\$ 748,260</b>
<b>Total</b>						
Invested in capital assets, net of related debt	\$ 19,405,037	\$ 14,788,218	\$ 10,598,016	\$ 8,830,574	\$ 6,431,945	\$ 4,055,483
Restricted	9,922,010	7,820,732	6,441,728	2,627,733	729,161	947,466
Unrestricted	9,263,917	5,540,353	2,238,221	1,164,935	1,670,186	1,486,035
<b>Total net assets</b>	<b>\$ 38,590,964</b>	<b>\$ 28,149,303</b>	<b>\$ 19,277,965</b>	<b>\$ 12,623,242</b>	<b>\$ 8,831,292</b>	<b>\$ 6,488,984</b>

Note: The District began to report accrual information when it implemented GASB Statement 34 in the year ended June 30, 2003.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN NET ASSETS

Last Six Fiscal Years  
(Unaudited)

	Year Ended June 30,					
	2008	2007	2006	2005	2004	2003
<b>Expenses</b>						
Governmental Activities:						
Instruction	\$ 29,165,013	\$ 23,541,001	\$ 19,961,274	\$ 17,459,390	\$ 14,226,865	\$ 12,850,667
Support services	13,714,587	10,863,315	9,628,971	8,412,897	6,766,317	5,366,904
Non-instructional services	21,238	-	-	-	369	352
Other expenditures	5,115,615	6,868,514	5,790,397	5,674,821	4,399,338	4,104,084
Total governmental activities expenses	48,016,453	41,272,830	35,380,642	31,547,108	25,392,889	22,322,007
Business type activities:						
Instruction	11,932	7,101	2,230	-	-	-
Support services	359,328	285,066	257,974	-	-	-
Food service operations	2,133,551	1,735,203	1,604,089	1,590,456	1,346,037	1,179,897
Childcare operations	506,525	358,348	307,483	126,069	-	-
Total business type activities expenses	3,011,336	2,385,718	2,171,776	1,716,525	1,346,037	1,179,897
Total expenses	\$ 51,027,789	\$ 43,658,548	\$ 37,552,418	\$ 33,263,633	\$ 26,738,926	\$ 23,501,904
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:						
Instruction	\$ 2,057,688	\$ 2,029,251	\$ 2,303,722	\$ 2,018,737	\$ 1,927,015	\$ 1,817,010
Support services	138,536	144,466	108,070	100,679	91,128	87,682
Operating grants and contributions	4,680,999	3,628,074	2,953,730	2,413,493	1,935,347	1,775,380
Total governmental activities program revenue	6,877,223	5,801,791	5,365,522	4,532,909	3,953,490	3,680,072
Business type activities:						
Charges for services:						
Support services	-	-	62,155	-	-	-
Food service operations	1,908,746	1,693,785	1,456,433	1,280,987	1,213,848	1,009,353
Childcare operations	699,391	470,059	371,744	127,150	550	-
Operating grants and contributions	504,340	421,173	362,089	301,939	266,374	213,292
Capital grants and contributions	-	-	111,484	120,440	-	-
Total business type activities program revenues	3,112,477	2,585,017	2,363,905	1,830,516	1,480,772	1,222,645
Total program revenues	\$ 9,989,700	\$ 8,386,808	\$ 7,729,427	\$ 6,363,425	\$ 5,434,262	\$ 4,902,717
<b>Net (Expense)/Revenue</b>						
Governmental activities	\$ (41,139,230)	\$ (35,471,039)	\$ (30,015,120)	\$ (27,014,199)	\$ (21,439,399)	\$ (18,641,935)
Business type activities	101,141	199,299	192,129	113,991	134,735	42,748
Total net expense	\$ (41,038,089)	\$ (35,271,740)	\$ (29,822,991)	\$ (26,900,208)	\$ (21,304,664)	\$ (18,599,187)

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN NET ASSETS

Last Six Fiscal Years  
(Unaudited)

	Year Ended June 30,					
	2008	2007	2006	2005	2004	2003
<b>General Revenues</b>						
Governmental activities:						
Property taxes	\$ 27,644,301	\$ 22,707,713	\$ 18,435,237	\$ 15,992,732	\$ 13,672,507	\$ 12,481,271
Local option sales & services tax	4,780,752	4,199,658	3,467,268	2,736,191	551,705	-
Unrestricted state grants	17,867,198	15,518,867	13,589,697	11,414,256	9,242,108	8,119,410
Investment earnings	840,642	1,299,865	602,452	191,461	87,440	246,574
Other	306,433	376,121	361,325	327,606	68,942	106,411
Total governmental activities	<u>51,439,326</u>	<u>44,102,224</u>	<u>36,455,979</u>	<u>30,662,246</u>	<u>23,622,702</u>	<u>20,953,666</u>
Business type activities:						
Investment earnings	40,396	40,854	21,735	7,753	2,967	2,401
Other	28	-	-	-	-	-
Total business type activities	<u>40,424</u>	<u>40,854</u>	<u>21,735</u>	<u>7,753</u>	<u>2,967</u>	<u>2,401</u>
Total general revenues	<u>\$ 51,479,750</u>	<u>\$ 44,143,078</u>	<u>\$ 36,477,714</u>	<u>\$ 30,669,999</u>	<u>\$ 23,625,669</u>	<u>\$ 20,956,067</u>
<b>Change in Net Assets</b>						
Governmental activities	\$ 9,678,840	\$ 8,631,185	\$ 6,440,859	\$ 3,648,047	\$ 2,183,303	\$ 2,311,731
Business type activities	762,821	240,153	192,129	113,991	134,735	42,748
Total change in net assets	<u>\$ 10,441,661</u>	<u>\$ 8,871,338</u>	<u>\$ 6,632,988</u>	<u>\$ 3,762,038</u>	<u>\$ 2,318,038</u>	<u>\$ 2,354,479</u>

Note: District began to report accrual information when it implemented GASB Statement 34 in the year ended June 30, 2003.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(Unaudited)

	Year ended June 30,					
	2008	2007	2006	2005	2004	2003
General fund:						
Reserved	\$ 133,903	\$ 195,644	\$ 146,376	\$ 110,352	\$ 39,845	\$ 48,057
Unreserved	6,897,344	4,529,957	2,267,031	1,373,853	1,181,262	1,194,658
Total general fund	<u>\$ 7,031,247</u>	<u>\$ 4,725,601</u>	<u>\$ 2,413,407</u>	<u>\$ 1,484,205</u>	<u>\$ 1,221,107</u>	<u>\$ 1,242,715</u>
All other governmental funds:						
Reserved	\$ 9,432,642	\$ 3,453,669	\$ 233,849	\$ 189,164	\$ 118,999	\$ 76,887
Unreserved:						
Special revenue funds	3,156,244	1,644,624	1,533,833	1,200,280	729,161	947,466
Capital projects funds	10,340,847	17,488,964	17,107,276	2,906,073	5,725,357	11,576,873
Total all other government funds	<u>\$ 22,929,733</u>	<u>\$ 22,587,257</u>	<u>\$ 18,874,958</u>	<u>\$ 4,295,517</u>	<u>\$ 6,573,517</u>	<u>\$ 12,601,226</u>

Source: District Records

				Year ended June 30,			
2002		2001		2000		1999	
\$	36,956	\$	48,735	\$	70,503	\$	28,800
	179,544		291,047		930,902		719,120
<hr/>		<hr/>		<hr/>		<hr/>	
\$	216,500	\$	339,782	\$	1,001,405	\$	747,920
<hr/>		<hr/>		<hr/>		<hr/>	
\$	179,915	\$	278,459	\$	192,727	\$	71,367
	558,969		220,474		319,433		423,192
	5,807,706		1,304,593		4,062,495		1,819,623
<hr/>		<hr/>		<hr/>		<hr/>	
\$	6,546,590	\$	1,803,526	\$	4,574,655	\$	2,314,182
<hr/>		<hr/>		<hr/>		<hr/>	

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS AND DEBT SERVICE RATIO

	Last Ten Fiscal Years (Unaudited)					
	2008	2007	2006	2005	Year Ended June 30, 2004 2003	
<b>Revenues:</b>						
Local sources:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local tax	32,425,053	26,907,371	21,898,342	18,724,901	14,220,453	12,501,101
Tuition	1,175,066	1,209,866	1,267,893	1,176,813	1,258,916	1,274,538
Other	2,432,638	2,604,416	1,935,241	1,383,507	914,311	959,469
State sources	21,804,292	18,700,021	16,110,389	13,424,393	10,926,968	9,691,405
Federal sources	479,500	485,203	437,201	407,377	254,243	207,125
<b>Total revenues</b>	<b>58,316,549</b>	<b>49,906,877</b>	<b>41,649,066</b>	<b>35,116,991</b>	<b>27,574,891</b>	<b>24,633,638</b>
<b>Expenditures:</b>						
Current:						
Instruction	-	-	-	-	-	-
Regular instruction	20,040,299	16,944,785	14,497,759	12,045,774	10,074,061	9,180,177
Special instruction	4,926,113	4,233,291	3,387,132	3,061,467	2,679,023	2,303,872
Other instruction	2,389,598	2,147,056	2,096,796	1,896,088	1,443,770	1,354,138
Support services:	-	-	-	-	-	-
Student services	2,518,458	1,413,137	1,289,559	1,274,069	983,108	927,615
Instructional services	2,450,310	1,631,053	1,393,248	1,475,734	1,331,528	604,992
Administrative services	3,639,159	2,909,779	2,711,319	2,270,519	1,965,351	1,515,229
Operation & plant maintenance services	3,829,770	3,023,278	2,764,387	2,114,247	1,584,289	1,567,336
Transportation services	1,981,897	1,853,584	1,560,878	1,097,493	874,909	762,357
Non-instructional services	29,955	265	-	-	369	352
Other expenditures:						
Capital outlay:						
Facilities acquisition	13,080,340	21,356,585	5,593,186	11,528,812	16,567,624	5,343,943
Debt service:						
Principal	13,215,000	3,100,000	2,230,000	8,335,000	2,290,000	2,090,000
Interest	3,097,409	3,166,074	2,500,741	2,391,214	2,082,149	1,900,449
Fiscal charges	8,700	4,800	90,809	86,343	96,130	262,182
AEA flowthrough	1,696,590	1,434,517	1,198,063	995,297	823,781	770,240
<b>Total expenditures</b>	<b>72,903,598</b>	<b>63,218,204</b>	<b>41,313,877</b>	<b>48,572,057</b>	<b>42,796,092</b>	<b>28,582,882</b>
<b>Other financing sources (uses):</b>						
Sale of equipment	-	100	50	1,900	1,300	100
Sale of real property	-	-	26,000	-	-	-
Interfund transfers in	-	3,101,062	15,831,166	763,808	775,552	798,543
Interfund transfers out	-	(3,101,062)	(15,831,160)	(763,808)	(775,552)	(798,543)
Bonds refunded	-	(4,285,000)	-	-	-	-
Bonds and notes issued	-	23,335,000	15,000,000	11,390,000	9,175,000	15,520,000
Premium on bonds and notes issued	-	285,720	147,404	48,264	-	(4,490,000)
	-	19,335,820	15,173,460	11,440,164	9,176,300	11,030,100
<b>Net change in fund balance</b>	<b>\$ (14,587,049)</b>	<b>\$ 6,024,493</b>	<b>\$ 15,508,649</b>	<b>\$ (2,014,902)</b>	<b>\$ (6,044,901)</b>	<b>\$ 7,080,856</b>
<b>Total expenditures</b>	<b>\$ 72,903,598</b>	<b>\$ 63,218,204</b>	<b>\$ 41,313,877</b>	<b>\$ 48,572,057</b>	<b>\$ 42,796,092</b>	<b>\$ 28,582,882</b>
Less: capital expenditures	-	(20,735,371)	(5,293,151)	(10,817,069)	(16,095,655)	(5,035,469)
<b>Non-capital expenditures</b>	<b>72,903,598</b>	<b>42,482,833</b>	<b>36,020,726</b>	<b>37,754,988</b>	<b>26,700,437</b>	<b>23,547,413</b>
<b>Debt service expenditures</b>	<b>16,321,109</b>	<b>6,270,874</b>	<b>4,821,550</b>	<b>10,812,557</b>	<b>4,468,279</b>	<b>4,252,631</b>
<b>Debt service expenditures as a percentage of non-capital expenditures</b>	<b>22.39%</b>	<b>14.76%</b>	<b>13.39%</b>	<b>28.64%</b>	<b>16.73%</b>	<b>18.06%</b>

Source: District Records

Note: From 1999 to 2002, detail on revenues and expenses are not available. Only category totals are reported.

2002	2001	2000	1999
\$ 12,666,930	\$ 10,913,375	\$ 9,306,517	\$ 7,576,841
8,327,266	7,211,697	6,607,086	5,240,723
211,068	123,955	97,274	68,096
21,205,264	18,249,027	16,010,877	12,885,660
11,661,522	9,774,551	8,121,560	7,063,483
4,627,598	4,360,841	3,963,641	3,366,045
6,627	7,019	4,770	3,026
132,697	412,486	343,684	365,067
2,936,634	9,839,806	3,100,486	5,065,856
3,601,867	3,068,083	2,261,885	1,904,735
662,430	583,993	500,313	438,740
23,629,375	28,046,779	18,296,339	18,206,952
2,565	-	4,420	8,926
41,328	-	95,000	-
767,870	3,549,536	601,340	383,437
(776,239)	(3,549,536)	(601,340)	(383,437)
-	-	-	-
7,000,000	6,365,000	4,660,000	7,200,000
7,035,524	6,365,000	4,759,420	7,208,926
\$ 4,611,413	\$ (3,432,752)	\$ 2,473,958	\$ 1,887,634
\$ 23,629,375	\$ 28,046,779	\$ 18,296,339	\$ 18,206,952
(2,936,634)	(9,839,806)	(3,100,486)	(5,065,856)
20,692,741	18,206,973	15,195,853	13,141,096
3,601,867	3,068,083	2,261,885	1,904,735
17.41%	16.85%	14.88%	14.49%

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL FUND REVENUES, BY SOURCE

Last Ten Fiscal Years  
(Unaudited)

Year Ended June 30,	Local		State	Federal	Total
	Taxes	Miscellaneous			
2008	\$ 19,059,387	\$ 2,045,360	\$ 21,802,799	\$ 479,500	\$ 43,387,046
2007	15,417,932	2,022,140	18,698,603	485,203	36,623,878
2006	12,101,584	1,874,439	16,108,939	433,391	30,518,353
2005	9,993,328	1,599,569	13,422,857	407,377	25,423,131
2004	8,349,264	1,576,846	10,925,564	254,243	21,105,917
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

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
2008	\$ 26,185,188	\$ 13,176,495	\$ 23,127	\$ 1,696,590	\$ 41,081,400
2007	22,370,355	10,506,812	-	1,434,517	34,311,684
2006	18,800,131	9,594,770	-	1,198,063	29,592,964
2005	16,051,064	8,115,572	-	995,297	25,161,933
2004	13,601,413	6,696,788	-	824,908	21,123,109
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

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

GOVERNMENT-WIDE REVENUES

Last Ten Fiscal Years  
(Unaudited)

Year ended June 30,	Program Revenues			Taxes	Other Local Sources		Investment Earnings		Miscellaneous	Total
	Charges for Services & Sales	Operating Grants & Contributions	Capital Grants & Contributions		State Sources					
2008	\$ 4,804,361	\$ 5,185,339	\$ -	\$ 32,425,053	\$ 306,433	\$ 17,867,226	\$ 881,038	\$ -	\$ 61,469,450	
2007	4,337,561	4,049,247	-	26,907,371	188,662	15,518,867	1,340,719	-	52,342,427	
2006	4,302,124	3,315,819	111,484	21,902,505	361,325	13,589,697	624,187	-	44,207,141	
2005	3,527,553	2,715,432	120,440	18,728,923	327,606	11,414,256	199,214	-	37,033,424	
2004	3,232,541	2,201,721	-	13,672,507	620,647	9,242,108	90,407	-	29,059,931	
*2003	2,914,045	1,998,672	-	12,481,271	106,411	8,119,410	248,975	-	25,868,784	

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

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
GOVERNMENT-WIDE EXPENSES, BY FUNCTION

Last Ten Fiscal Years  
(Unaudited)

Year ended June 30,	Program Revenues			Other Expenditures	Total
	Instruction	Support Services	Non-instructional Programs		
2007-08	\$ 29,165,013	\$ 13,714,587	\$ 21,238	\$ 5,115,615	\$ 48,016,453
2006-07	23,541,001	10,863,315	2,385,718	6,868,514	43,658,548
2005-06	19,961,274	9,628,971	2,171,776	5,790,397	37,552,418
2004-05	17,459,390	8,412,897	1,716,525	5,674,821	33,263,633
2003-04	14,226,865	6,766,317	1,346,406	4,399,338	26,738,926
2002-03*	12,850,667	5,366,904	1,180,249	4,104,084	23,501,904

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

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

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

Last Ten Fiscal Years  
(Unaudited)

Year Ended June 30,	Revenue	Growth	Expenditures	Growth	Budget Enrollment	Growth
2008	\$ 43,387,046	18.47%	\$ 41,081,400	19.73%	5,458.0	7.06%
2007	36,623,878	19.99%	34,311,684	15.95%	5,098.0	11.07%
2006	30,522,161	20.05%	29,592,960	17.61%	4,590.0	12.83%
2005	25,425,031	20.50%	25,161,933	18.62%	4,068.0	12.19%
2004	21,099,617	8.96%	21,212,982	15.68%	3,626.0	16.52%
2003	19,364,073	19.42%	18,337,958	12.16%	3,112.0	12.43%
2002	16,215,170	18.76%	16,349,386	14.21%	2,768.0	15.29%
2001	13,653,762	9.19%	14,315,385	14.01%	2,401.0	13.25%
2000	12,504,971	18.58%	12,555,906	18.62%	2,120.0	11.52%
1999	10,545,945	13.87%	10,584,680	16.37%	1,901.0	10.65%

Source: District records

Assessed Value	Growth	Tax Rate	Growth
\$ 1,467,046,188	22.76%	\$ 13.04865	0.89%
1,195,088,331	22.33%	12.93403	4.52%
976,966,148	15.70%	12.37520	4.68%
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%

WAUKEE COMMUNITY SCHOOL DISTRICT

RATIO OF FINANCIAL CONDITION (General Fund)

	Last Ten Fiscal Years (Unaudited)									
	Year Ended June 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Days net Cash Ratio</b> $\frac{\text{cash}}{\text{average daily disbursements}}$	97.86	84.81	64.79	59.09	56.9	56.8	37.7	43.4	59.2	57.8
<b>Increased Revenue versus Increased Expenditures</b> $\frac{\text{current year revenue minus prior year revenue}}{\text{current year expenditures-prior year expenditures}}$	1.00	1.29	1.15	1.07	0.63	1.58	0.77	0.68	1.56	0.93
<b>Financial Solvency Ratios</b> $\frac{\text{current year UD,UR Fund Balance*}}{\text{current year actual revenue}}$	15.68%	12.13%	7.08%	5.404%	5.597%	6.169%	1.107%	1.986%	7.022%	6.751%

\*UD,UR=Undesignated, Unreserved

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years  
(Unaudited)

Collection Year	General Fund	Management	Debt Service	PPEL	Total
<u>Property Tax Levies</u>					
2008	\$ 19,142,972	\$ 1,100,006	\$ 4,393,433	\$ 3,144,865	\$ 27,781,276
2007	15,457,308	500,501	4,270,762	2,559,417	22,787,988
2006	12,090,151	399,999	3,970,419	1,954,603	18,415,172
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
<u>Property Tax Collections</u>					
2008	\$ 18,885,364	\$ 1,085,244	\$ 4,307,301	\$ 3,102,316	\$ 27,380,225
2007	15,417,932	498,717	4,246,299	2,544,765	22,707,713
2006	12,080,450	399,673	3,967,366	1,953,106	18,400,595
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
<u>Percentage Collected</u>					
2008	98.65%	98.66%	98.04%	98.65%	98.56%
2007	99.75%	99.64%	99.43%	99.43%	99.65%
2006	99.92%	99.92%	99.92%	99.92%	99.92%
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%

Source: District records

Dallas County, Iowa does not track delinquent taxes to a specific year if payment is made after the fiscal year closes.

WAUKEE COMMUNITY SCHOOL DISTRICT

TAXABLE AND 100% VALUES OF PROPERTY

Last Ten Fiscal Years  
(Unaudited)

Levy Year	Collection Year	Real Property		Personal Property	
		Taxable	100% Value	Taxable	100% Value
2006	2007-08	\$1,858,042,043	\$2,950,899,982	\$ -	\$ -
2005	2006-07	1,510,070,351	2,419,304,099	-	-
2004	2005-06	1,148,316,166	1,868,579,752	-	-
2003	2004-05	973,280,228	1,558,524,097	-	-
2002	2003-04	881,545,202	1,347,854,822	-	-
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

Gas and Electric was broken out of total utilites 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	
\$ 13,116,350	\$ 13,116,350	\$ 11,994,305	\$ 17,065,329	\$1,883,152,698	\$2,981,081,661	63.17%
15,444,126	15,465,927	7,070,342	8,407,740	1,532,584,819	2,443,177,766	62.73%
15,095,138	15,095,138	7,009,675	7,750,790	1,170,420,979	1,891,425,680	61.88%
14,464,885	14,464,885	7,564,751	7,564,751	995,309,864	1,580,553,733	62.97%
12,181,126	12,181,126	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%

WAUKEE COMMUNITY SCHOOL DISTRICT

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION, DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Levy Year	Collection Year	Dallas County	Dallas Co Hospital	State	Area XI Community College	City	Special	Waukee CSD	Total	Ratio WCS D to Total
<u>City of Waukee</u>										
2006	2007-08	\$ 7.19259	\$ 2.96959	\$ 0.00350	\$ 0.60276	\$ 13.50004	\$ -	\$ 17.80148	\$ 42.06996	42.314%
2005	2006-07	8.90138	1.13685	0.00400	0.68488	13.50004	-	17.84693	42.07408	42.418%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	13.50039	-	17.84693	38.87334	45.910%
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%
<u>City of Clive</u>										
2006	2007-08	\$ 7.19259	\$ 2.96959	\$ 0.00350	\$ 0.60276	9.53783	\$ 0.07294	\$ 17.80148	\$ 38.1807	46.624%
2005	2006-07	8.90138	1.13685	0.00400	0.68488	9.24927	-	17.84693	37.82331	47.185%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	9.24927	-	17.84693	34.62222	51.548%
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%
<u>City of Urbandale</u>										
2006	2007-08	\$ 7.19259	\$ 2.96959	\$ 0.00350	\$ 0.60276	\$ 9.22000	\$ 0.17216	\$ 17.80148	\$ 37.96208	46.893%
2005	2006-07	8.90138	1.13685	0.00400	0.68488	9.07393	0.13129	17.84693	37.77926	47.240%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	9.07393	-	17.84693	34.44688	51.810%
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%
<u>City of West Des Moines</u>										
2006	2007-08	\$ 7.19259	\$ 2.96959	\$ 0.00350	\$ 0.60276	\$ 12.04999	\$ 0.33240	\$ 17.80148	\$ 40.95231	43.469%
2005	2006-07	8.90138	1.13685	0.00400	0.68488	11.95000	0.27070	17.84693	40.79474	43.748%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	11.95000	-	17.84693	37.32295	47.818%
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%

Source: County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT

TAX RATES BY FUND

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Genreal	Management	PPEL	Debt Service	Total
2007-08	\$ 13.04865	\$ 0.74981	\$ 1.67000	\$ 2.33302	\$ 17.80148
2006-07	12.93403	0.41838	1.67000	2.78664	17.80905
2005-06	12.37520	0.40943	1.67000	3.39230	17.84693
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

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUE

Last Ten Fiscal Years  
(Unaudited)

	Year ended June 30,				
	2008	2007	2006	2005	2004
Local:					
General and special revenue funds	\$ 26,294,962	\$ 21,357,278	\$ 17,196,267	\$ 14,255,091	\$ 12,136,114
Debt service and capital project funds	9,737,795	9,364,375	7,905,208	7,030,130	4,258,524
	<u>36,032,757</u>	<u>30,721,653</u>	<u>25,101,475</u>	<u>21,285,221</u>	<u>16,394,638</u>
Inter-governmental revenues:					
State sources	21,804,292	18,700,021	16,110,389	13,424,393	10,926,010
Federal sources	479,500	485,203	437,201	407,377	254,243
	<u>22,283,792</u>	<u>19,185,224</u>	<u>16,547,590</u>	<u>13,831,770</u>	<u>11,180,253</u>
Totals	<u>\$ 58,316,549</u>	<u>\$ 49,906,877</u>	<u>\$ 41,649,065</u>	<u>\$ 35,116,991</u>	<u>\$ 27,574,891</u>

Source: District records

Year ended June 30,				
2003	2002	2001	2000	1999
\$ 11,479,225	\$ 9,390,499	\$ 7,813,067	\$ 6,973,173	\$ 5,942,738
3,256,755	5,774,171	3,123,907	2,346,790	1,642,352
14,735,980	15,164,670	10,936,974	9,319,963	7,585,090
9,690,533	8,326,407	7,188,098	6,593,640	5,232,474
207,125	211,068	123,955	97,274	68,096
9,897,658	8,537,475	7,312,053	6,690,914	5,300,570
\$ 24,633,638	\$ 23,702,145	\$ 18,249,027	\$ 16,010,877	\$ 12,885,660

WAUKEE COMMUNITY SCHOOL DISTRICT

TAXABLE ASSESSED VALUATION BY PROPERTY TYPE\*

Last Ten Fiscal Years  
(Unaudited)

Collection Year	2008		2007		2006		2005		2004	
Residential	\$ 894,414,446	74.8%	\$ 736,708,613	61.6%	\$ 577,276,665	59.1%	\$ 479,166,040	56.7%	\$ 416,743,673	49.4%
Agricultural	13,510,560	1.1%	13,910,270	1.2%	14,009,200	1.4%	14,475,120	1.7%	22,181,850	2.6%
Commercial	530,841,969	44.4%	418,658,441	35.0%	359,914,916	36.8%	325,193,663	38.5%	250,761,836	29.7%
Industrial	4,865,916	0.4%	4,851,390	0.4%	4,851,390	0.5%	4,718,460	0.6%	4,564,480	0.5%
Personal	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Railroads	1,281,039	0.1%	2,545,804	0.2%	2,598,624	0.3%	2,451,043	0.3%	2,334,361	0.3%
Utilities w/o Gas & Electric	11,835,311	1.0%	12,898,322	1.1%	12,496,514	1.3%	12,013,842	1.4%	12,181,126	1.4%
Gas & Electric	11,994,305	1.0%	7,070,342	0.6%	7,009,675	0.7%	7,564,751	0.9%	7,517,646	0.9%
Sub-Total	1,468,743,546		1,196,643,182		978,156,984		845,582,919		716,284,972	
(Military Credit)	(1,697,358)		(1,554,851)		(1,190,836)		(1,159,353)		(1,087,669)	
Totals	<u>\$ 1,467,046,188</u>		<u>\$ 1,195,088,331</u>		<u>\$ 976,966,148</u>		<u>\$ 844,423,566</u>		<u>\$ 715,197,303</u>	

\* Does not include TIF Valuation

Source: County Auditor and District records

2003		2002		2001		2000		1999	
\$ 385,758,428	53.9%	\$ 343,169,499	52.2%	\$ 262,101,456	47.3%	\$ 231,838,458	50.6%	\$ 202,424,528	47.9%
22,470,600	3.1%	22,591,480	3.4%	22,083,027	3.1%	21,276,910	4.6%	20,673,726	4.9%
221,993,653	31.0%	159,965,881	24.3%	147,944,604	20.7%	141,742,851	30.9%	101,577,343	24.1%
4,452,610	0.6%	4,319,690	0.7%	4,186,760	0.6%	3,969,890	0.9%	3,974,870	0.9%
742,846	0.1%	6,503,826	1.0%	7,654,857	1.1%	8,430,119	1.8%	10,398,704	2.5%
2,084,530	0.3%	1,955,070	0.3%	-	0.0%	-	0.0%	-	0.0%
12,974,345	1.8%	9,564,871	1.5%	15,100,018	2.1%	15,966,459	3.5%	17,249,249	4.1%
7,526,984	1.1%	7,557,884	1.2%	-	0.0%	-	0.0%	-	0.0%
658,003,996		555,628,201		459,070,722		423,224,687		356,298,420	
(1,037,120)		(1,031,862)		(990,820)		(947,298)		(888,034)	
<u>\$ 656,966,876</u>		<u>\$ 554,596,339</u>		<u>\$ 458,079,902</u>		<u>\$ 422,277,389</u>		<u>\$ 355,410,386</u>	

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL TAXPAYERS IN THE WAUKEE COMMUNITY SCHOOL DISTRICT

June 30, 2008  
(Unaudited)

Taxpayer	2007 Taxable Values	Percent of Total Assessed Value
Wells Fargo Home Mortgage, Inc.	\$ 194,964,583	10.87%
GCP Jordan Creek LLC	174,282,507	9.72%
CCOPELLC	51,790,814	2.89%
Dallas County Partners II	31,640,092	1.76%
West Lakes Development Company	20,419,116	1.14%
Wal-Mart Real Estate Business Trust	15,578,143	0.87%
Northwood Village Ltd	14,635,593	0.82%
Sherman Hills Real Estate Partnership LLP	14,600,478	0.81%
Moody National M Des Moines IA, LLC	13,787,569	0.77%
Dallas County Partners	13,361,239	0.75%
 Total	 \$ 545,060,134	
 Total Taxable Assessed Value	 \$ 1,792,848,425	

WAUKEE COMMUNITY SCHOOL DISTRICT

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

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year of Collection	Population*	100% Actual Value	Legal Debt Limit(5%)	Indebtedness	Debt to Assessed Value	Debt per Capita
2007-08	37,750	\$ 2,981,081,661	\$ 149,054,083	\$ 89,345,000	3.00%	\$ 2,367
2006-07	30,650	2,443,177,766	122,158,888	89,590,000	3.67%	2,923
2005-06	23,678	1,891,425,680	94,571,284	64,825,000	3.43%	2,738
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

\* District populations estimated from 2000 Census.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

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

Last Ten Fiscal Years  
(Unaudited)

Year ended June 30,	Principal	Interest	Total Debt Service	Total Expenditures *	Ratio of Debt Service to Total Expenditures
2006-07	\$ 13,215,000	\$ 3,097,409	16,312,409	\$ 41,081,400	39.71%
2005-06	7,385,000	3,166,074	10,551,074	34,311,684	30.75%
2004-05	7,640,000	2,324,006	9,964,006	25,161,933	39.60%
2003-04	1,620,000	1,983,926	3,603,926	21,123,109	17.06%
2002-03	2,155,000	1,773,021	3,928,021	18,337,959	21.42%
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%

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMPUTATION OF OVERLAPPING AND DIRECT DEBT

As of June 30, 2008  
 (Unaudited)

	Taxable Valuation	Taxable Valuation Within District	Percent in District	G. O. Debt	Waukee CSD Share of the Debt
Dallas County	\$ 3,289,325,172	\$ 2,161,335,943	65.71%	\$ 17,840,000	\$ 11,722,232
City of Waukee	467,323,747	464,442,743	99.38%	26,051,237	25,890,634
City of Clive	1,139,461,736	207,810,987	18.24%	45,625,000	8,320,926
City of Grimes	325,132,546	50,541	0.02%	8,980,000	1,396
City of Urbandale	2,216,391,458	269,986,070	12.18%	44,370,000	5,404,858
City of West Des Moines	3,820,324,623	1,159,290,576	30.35%	123,389,079	37,442,838
Area XI Des Moines Area Community College	31,982,412,298	2,161,335,943	6.76%	82,815,000	5,596,546
Total District Share of Overlapping Debt				<u>\$ 349,070,316</u>	<u>\$ 94,379,430</u>
Direct, Waukee Community School District:					
General Obligation			100.00%	\$ 60,370,000	\$ 60,370,000
Sales Tax Revenue Bonds			100.00%	16,400,000	16,400,000
Capital Loan Notes			100.00%	12,575,000	12,575,000
Total District Direct Debt				<u>\$ 89,345,000</u>	<u>\$ 89,345,000</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

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years  
(Unaudited)

	Year ended June 30,				
	2008	2007	2006	2005	2004
Assessed value of property	\$ 2,981,081,661	\$ 2,443,177,766	\$ 1,891,425,600	\$ 1,580,553,733	\$ 1,367,553,594
Debt limit-5% of 100% assessed value	149,054,083	122,158,888	94,571,280	79,027,687	68,377,680
Amount of debt applicable to debt limit:					
General obligation bonds	60,370,000	56,785,000	54,445,000	55,945,000	52,195,000
Sales tax revenue bonds	16,400,000	18,900,000			
Capital loan notes	12,575,000	13,905,000	15,000,000	730,000	1,425,000
Total debt applicable to debt limit	89,345,000	89,590,000	69,445,000	56,675,000	53,620,000
Legal debt margin	59,709,083	32,568,888	25,126,280	22,352,687	14,757,680
Legal debt margin as a percentage of debt limit	40.06%	26.66%	26.57%	28.28%	21.58%

Source: District Records

	Year ended June 30,				
	2003	2002	2001	2000	1999
	\$ 1,241,366,220	\$ 1,000,646,538	\$ 848,920,035	\$ 717,642,585	\$ 640,017,577
	62,068,311	50,032,327	42,446,002	35,882,129	32,000,879
	44,640,000	35,060,000	29,375,000	26,790,000	23,000,000
	2,095,000	2,735,000	-	1,070,000	1,225,000
	46,735,000	37,795,000	29,375,000	27,860,000	24,225,000
	15,333,311	12,237,327	13,071,002	8,022,129	7,775,879
	24.70%	24.46%	30.79%	22.36%	24.30%

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL ANALYSIS OF FACILITIES, CLASSROOMS AND STAFFING

June 30, 2008  
(Unaudited)

Name of School	Dates of Construction	Grades Served
Elementary Schools:		
Waukee	1917, 1957, 1974, 1979, 1987, 1999	PK-5 and Special Education
Brookview	2001, 2002, 2004	K-5 and Special Education
Eason	1994, 2002	K-5 and Special Education
Walnut Hills	2005	PK-5 and Special Education
Maple Grove	2007	PK-5 and Special Education
Waukee Middle School	1974, 1977, 1987, 1994, 1997, 1999, 2008	6-7 and Special Education
Prairieview 8-9 Building	2004	8-9 and Special Education
Waukee High School	1997, 2000, 2001, 2007	10-12 and Special Education
		District Wide
Other facilities - non-student occupancy:		
YMCA	2000, 2001	
Waukee Elementary Annex	1932, 1995	
District Administration	2003, 2007	
District Central Receiving/Transportation Facility	2003	

Source: District records

Building Served	Enrollment Sept. 2008	Certified Staff	Pupil/Teacher Ratio	Number of Classrooms	Teaching Sections
	643	48.0	13.40	38	33
	676	41.0	16.49	25	27
	609	37.3	16.35	30	27
	779	42.0	18.55	37	30
	<u>669</u>	<u>36.0</u>	18.58	<u>37</u>	<u>24</u>
	3,376	204.3	16.53	167	141
	882	62.3	14.15	39	-
	694	54.7	12.69	46	-
	926	66.160	14.00	77	-
	<u>5,878</u>	<u>387.420</u>	15.17	329	141

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT STAFFING LEVELS

Last Ten Fiscal Years  
(Unaudited)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Administration:</b>										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principal	8.0	7.0	6.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0
Associate Principal	2.0	2.0	4.0	3.0	1.0	-				
Other Administrators	6.0	6.0	4.0	5.0	5.0	3.0	3.0	3.0	3.0	3.0
<b>Total Administration</b>	<b>17.0</b>	<b>16.0</b>	<b>15.0</b>	<b>14.0</b>	<b>12.0</b>	<b>9.0</b>	<b>9.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>
Other Professionals					-	0.6	1.0	1.0	2.0	2.0
<b>Instruction:</b>										
Teacher	357.44	318.33	288.5	258.6	229.1	207.7	192.5	165.7	143.3	134.5
Curriculum Specialist	2.0	2.0	2.0	2.0	1.0	1.0				
Counselor	17.0	15.0	14.0	13.0	11.0	11.0	10.0	9.0	8.0	7.0
Title I	2.0	2.0	1.5	1.5	1.0					
Media Specialist	7.0	7.0	6.0	5.0	5.0	5.0	5.0	3.0	3.0	3.0
<b>Total Instruction</b>	<b>385.44</b>	<b>344.33</b>	<b>312.0</b>	<b>280.1</b>	<b>247.1</b>	<b>224.7</b>	<b>207.5</b>	<b>177.7</b>	<b>154.3</b>	<b>144.5</b>
<b>Professional, Other:</b>										
Nurse	9.0	7.0	7.0	6.5	4.8	4.8	4.8	4.0	3.5	3.3
Other Professional	9.5	8.5	6.5	6.1	5.0	4.0	3.8	2.0	1.0	1.0
<b>Total Professional, Other</b>	<b>18.5</b>	<b>15.5</b>	<b>13.5</b>	<b>12.6</b>	<b>9.8</b>	<b>8.8</b>	<b>8.5</b>	<b>6.0</b>	<b>4.5</b>	<b>4.3</b>
<b>Support Personnel:</b>										
Office/Clerical	28.0	26.0	23.0	20.0	16.9	15.8	12.3	14.5	12.5	9.0
Crafts/Trades	4.0	4.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	
Teacher Associates	96.500	84.601	63.3	61.7	56.9	42.2	42.8	37.5	32.0	26.2
Other Support Personnel	72.300	61.719	57.3	57.1	57.1	39.4	40.0	21.0	20.5	16.7
<b>Total Support Personnel</b>	<b>200.8</b>	<b>176.3</b>	<b>145.7</b>	<b>139.8</b>	<b>131.9</b>	<b>98.4</b>	<b>96.0</b>	<b>74.0</b>	<b>66.0</b>	<b>51.9</b>
<b>Totals</b>	<b>621.7</b>	<b>552.2</b>	<b>486.2</b>	<b>446.4</b>	<b>400.8</b>	<b>341.5</b>	<b>322.0</b>	<b>266.7</b>	<b>234.8</b>	<b>210.7</b>

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
DISTRICT AND AREA UNEMPLOYMENT RATES

Last Ten Fiscal Years  
(Unaudited)

Year Ended June 30,	Des Moines Area	Dallas County			State of Iowa	Per Capita Income
		Median Household Income	Average Household Income	Per Capita Income		
2008	4.1%				4.6%	
2007	3.1%				3.4%	
2006	2.9%	\$ 59,435	\$ 74,925	\$ 29,144	3.6%	\$ 33,236
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%	

Source: Iowa Workforce Development, ESRI, US Bureau of the Census of Population and Housing, US Bureau of Economic Analysis.

Data for 2006 is the latest data available.

WAUKEE COMMUNITY SCHOOL DISTRICT

SUMMARY OF HISTORICAL RETAIL SALES  
(In Millions)

Last Ten Years  
(Unaudited)

Year	Dallas County	Percent Increase	Waukee	Percent Increase	West Des Moines	Percent Increase	Des Moines	Percent Increase
2007	\$ -	-100.0%	\$ 102.89	-15.0%	\$ 1,354.69	-27.3%	\$ -	-100.0%
2006	674.51	97.8%	121.06	16.2%	1,864.22	103.9%	3,502.63	0.3%
2005	340.93	6.6%	104.16	23.0%	914.20	2.6%	3,492.31	-16.7%
2004	319.88	12.2%	84.65	10.4%	891.45	2.3%	4,190.41	10.6%
2003	285.14	7.5%	76.68	8.1%	871.55	2.1%	3,789.65	-5.1%
2002	265.18	20.7%	70.94	41.5%	853.49	-0.6%	3,994.64	-2.7%
2001	219.78	21.7%	50.13	73.4%	858.59	5.3%	4,106.04	1.3%
2000	180.54	18.0%	28.91	5.7%	815.65	15.9%	4,054.94	2.8%
1999	152.98	7.2%	27.36	11.2%	704.03	8.1%	3,944.05	0.2%
1998	142.72	4.1%	24.61	6.6%	651.25	2.4%	3,935.45	2.4%

Source: Iowa Department of Revenue and Finance

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL EMPLOYERS IN THE DISTRICT

Current year and 11 years ago  
(Unaudited)

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

District Employers	Product/Service	2008		1997	
		Employees	% of Total	Employees	% of Total
Wells Fargo Mortgage & Financial	Financial	3,247	32.8%	-	
Hy-Vee	Food Supplier	1,500	15.2%	-	
West Des Moines School	Education	1,200	12.1%	-	
Iowa Farm Bureau	Agriculture	1,117	11.3%	-	
Marsh Insurance	Benefit Insurance	950	9.6%	-	
Guide One	Insurance	642	6.5%	-	
Iowa Foundation for Medical Care	Insurance	623	6.3%	-	
Waukee Community School District	Education	622	6.3%	200	100.0%
Total		9,901		200	

Larger employers in the area	Product/Service	2008		1997	
		Employees	% of Total	Employees	% of Total
Principal Financial Group	Insurance	7,600	17.0%	17,501	36.7%
State of Iowa	Government	6,749	15.1%	7,500	15.7%
United State Government	Government	6,100	13.7%	6,000	12.6%
Iowa Health System	Health Care	4,018	9.0%	-	-
Des Moines Ind. School District	Education	5,325	11.9%	4,662	9.8%
Communication Data Service, Inc	Data Entry	1,200	2.7%	-	-
Mercy Hospital Medical Center	Health Care	6,200	13.9%	4,650	9.7%
United Parcel Service	Delivery	1,600	3.6%	2,183	4.6%
Wellmark Blue Cross Blue Shield	Insurance	2,066	4.6%	1,755	3.7%
Bridgestone-Firestone	Manufacturing	1,800	4.0%	2,500	5.2%
Pioneer Hybrid	Agricultural Sales	2,000	4.5%	950	2.0%
Total		44,658		47,701	

Source: City Chambers of Commerce

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT POPULATION

June 30, 2008  
(Unaudited)

Census Year	Waukee	Clive	Urbandale	West Des Moines
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

WAUKEE COMMUNITY SCHOOL DISTRICT  
 CERTIFIED RESIDENT STUDENT ENROLLMENT BY GRADE

Last Ten Fiscal Years  
 (Unaudited)

Grade	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
PK	24	29	26	22	26	24	14	14	*	*
K	595	555	549	522	433	445	321	327	259	243
1	568	577	544	459	467	350	346	276	239	187
2	584	549	480	486	368	377	296	255	198	189
3	570	507	499	390	403	319	262	222	204	190
4	513	510	413	423	347	276	241	215	222	161
5	522	427	446	362	297	260	233	230	165	163
6	431	449	376	310	292	244	256	185	182	155
7	451	367	319	316	260	265	199	192	175	157
8	378	321	324	265	274	224	220	188	168	154
9	316	317	273	296	234	244	189	179	165	146
10	308	283	319	252	263	198	190	174	150	142
11	304	313	262	268	198	202	182	165	153	123
12	321	254	268	219	206	198	163	146	121	110
District Served Enrollment	5885.0	5458.0	5098.0	4590.0	4068.0	3626.0	3112.0	2768.0	2401.0	2120.0
Open Enrollment/Tuition In	175.0	199.0	219	232	225	236	237.0	186	141	159
Open Enrollment/Tuition Out (includes Home & Alt. School Students)	257.4	229.3	196.6	170	187.1	172.8	148.7	131.8	125.4	122
Certified Resident Enrollment	<u>5,967.4</u>	<u>5,488.3</u>	<u>5,075.6</u>	<u>4,528.0</u>	<u>4,030.1</u>	<u>3,562.8</u>	<u>3,023.7</u>	<u>2,713.8</u>	<u>2,385.4</u>	<u>2,083.0</u>

\* No Data Available

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

OPERATING COST PER PUPIL

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Total Costs*	Daily Membership	Operating Cost per Pupil
2007-08	\$ 41,081,400	5,441	\$ 7,550
2006-07	34,311,684	5,065	6,774
2005-06	29,592,960	4,617	6,410
2004-05	25,161,933	4,058	6,201
2003-04	21,123,109	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

\*Includes only General Fund expenditures.

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
IOWA SCHOOL ANTICIPATION PROGRAM (ISCAP)

Last Ten Fiscal Years  
(Unaudited)

Year Ended June 30,	Principal of Certificates Issued
2007-08	\$ -
2006-07	-
2005-06	-
2004-05	-
2003-04	-
2002-03	2,275,000
2001-02	2,049,000
2000-01	1,433,000
1999-00	945,000
1998-99	865,000

Source: District records



WAUKEE COMMUNITY SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2008

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Food Distribution (non-cash)	10.550	FY 08	<u>\$ 104,414</u>
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 08	45,432
National School Lunch Program	10.555	FY 08	<u>331,530</u>
			<u>376,962</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 08	<u>144,196</u>
Vocational Education - Basic Grants to States	84.048	FY 08	<u>18,750</u>
Safe and Drug-Free Schools and Communities- State Grants	84.184	FY 08	<u>10,658</u>
Grants for State Assessments and Related Activities	84.369	FY 08	<u>35,252</u>
Heartland Area Education Agency			
Special Education - Grants to States	84.027	FY 08	<u>255,455</u>
Total			<u><u>\$ 945,687</u></u>

**Basis of Presentation** - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the 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 the Waukee Community School District, Waukee, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated January 9, 2009. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Waukee Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Waukee Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We identified no deficiencies in internal control over financial reporting that we consider to be significant deficiencies and no deficiencies we consider to be material weaknesses.

A *control deficiency* exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Waukee Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Waukee Community School District's financial statements that is more than inconsequential will not be prevented or detected by Waukee Community School District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Waukee Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waukeew 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 grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance 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 the District's operations for the year ended June 30, 2008 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.

Waukeew Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Waukeew Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Waukeew Community School District and other parties to whom Waukeew 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 Waukeew 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.

*Van Maanen & Associates, P.C.*

Van Maanen & Associates, P.C.  
Certified Public Accountants

January 9, 2009

**Van Maanen  
& ASSOCIATES, P.C.**

Certified Public Accountants

705 Main St.  
Pella, IA 50219  
641-628-3737

Independent Auditor's Report on Compliance with Requirements Applicable  
to Each Major Program and on 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, 2008. 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, 2008.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Waukee Community School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. We identified no deficiency in internal control over compliance that we consider to be a material weakness.

A *control deficiency* in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. We noted no deficiency in internal control over compliance that we consider to be a material weakness.

Waukee Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the District's responses, we did not audit Waukee Community School District's responses and, accordingly, we express no opinion on them.

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.

*Van Maanen & Associates, P.C.*

Van Maanen & Associates, P.C.  
Certified Public Accountants

January 9, 2009

WAUKEE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2008

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No significant deficiencies in internal control over the 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
  - 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 qualified as a low-risk auditee.

**Part II: Findings Related to the Financial Statements**

**INSTANCES OF NON-COMPLIANCE**

No matters were noted.

**SIGNIFICANT DEFICIENCIES**

No matters were noted.

**Part III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NON-COMPLIANCE**

No matters were noted.

**SIGNIFICANT DEFICIENCIES**

No matters were noted.

WAUKEE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2008

**Part IV: Other Findings Related to Required Statutory Reporting**

- IV-A-08      Certified Budget - Expenditures for the year ended June 30, 2008, exceeded the amended certified budget amounts in the instruction function.
- Recommendation – The certified 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 – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.
- Conclusion – Response accepted.
- IV-B-08      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-C-08      Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-08      Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-08      Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-08      Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-08      Certified Enrollment - No variances were noted in the basic enrollment data certified to the Department of Education.
- IV-H-08      Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-I-08      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.