

COMPREHENSIVE ANNUAL FINANCIAL REPORT
WEST DES MOINES COMMUNITY SCHOOL DISTRICT
West Des Moines, Iowa
Year ended June 30, 2010

OFFICIAL ISSUING REPORT
Kurt Subra, CPA, Chief Financial Officer

OFFICE ISSUING REPORT
Administrative Services Division

West Des Moines Community School District
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C O N T E N T S (continued)**

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WEST DES MOINES
COMMUNITY
S C H O O L S

Learning Resource Center
3550 Mills Civic Parkway
West Des Moines, IA 50265

Phone (515) 633-5000
Fax (515) 633-5099
wdmcs.org

Dr. Tom Narak,
Superintendent

January 14, 2011

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

Ladies and Gentlemen:

The following report is a comprehensive financial record of the District for the fiscal year ended June 30, 2010. The report is a reflection of the conditions which have enabled the West Des Moines Community School District to maintain a favorable financial position despite state budget constraints and the related impact on local school districts across our state.

The shared vision of the District states, "The West Des Moines Community School District will be a caring community of learners that knows and lifts every child. We will inspire joy in learning. Our schools will excel at preparing each student for his or her life journey."

This vision provides the foundation of our District's financial planning. Meeting the educational needs of our students despite state budget constraints is no simple task. The educational success of the West Des Moines Community School District is due to many factors including:

- An outstanding and effective Board of Education.
- A very supportive community with high expectations for outstanding schools.
- Supportive parents who have high expectations for outstanding schools.
- A team of outstanding and dedicated teachers, staff and administrators.
- Students who understand the importance of a quality education.

As you review the information included in the important document, please be sure to contact us if you have any questions or suggestions. Our focus is upon the learning needs of all our students. With your help and support we will continue to be an excellent school district. We all can take pride in the outstanding success of our students.

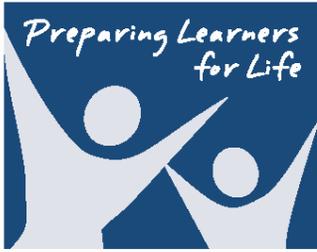
Sincerely,

Dr. Tom Narak
Superintendent

The West Des Moines
Community School District
will be a caring community
of learners that knows
and lifts every child.
We will inspire joy in learning.
Our schools will excel
at preparing each student
for his or her life journey.



WEST DES MOINES
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January 14, 2011

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

The Comprehensive Annual Financial Report of the West Des Moines Community School District (the District) for the fiscal year ended June 30, 2010 is submitted herewith. The District is an independent entity governed by a seven-member board. Responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with the officials of the District's Administrative Services Division. We believe that the data is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position and results of operations of the District as measured by the financial activity of the various funds; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

The District was required to undergo a single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States and Local Governments and Nonprofit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's report on internal control over financial reporting and on compliance and other matters, independent auditor's report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance, and a schedule of findings are included in the single audit compliance section of this report.

This report includes all funds of the West Des Moines Community School District. The District provides a full range of programs and services including instructional; administrative; transportation; food service; maintenance of sites and facilities; custodial; clerical; extra, co-curricular and athletic activities; and community education.

Management is responsible for preparing a Management's Discussion and Analysis. This discussion follows the independent auditor's report and provides an assessment of the District's finances for 2010.

Profile of the Government

In Iowa, school districts operate with local control and have fiscal independence from other government entities. The District operates in compliance with the accounting principles generally accepted in the United States of America (GAAP) and currently prepares its financial statements per the Governmental Accounting Standards Board (GASB) Statement No. 34.

The West Des Moines Community School District serves more than 58,000 people who live in the western portion of Polk County-West Des Moines, Clive, parts of Urbandale and Windsor Heights and nearby rural areas. Covering 36.6 square miles, the District has grown up around a former railroad center, Valley Junction and the farmland north and south of the Raccoon River. The District experienced rapid growth up until the fall of 1975 when enrollment reached 6,726 students. Enrollment gradually declined to 5,825 students in the fall of 1982, but increased annually (except for September 1999) through September 2002. Enrollment declined more than 200 students during fiscal years 2004 and 2005, but it has increased slightly and then stabilized with 8,858 resident students in fiscal year 2010.

The District operates fourteen schools, a maintenance/transportation/warehouse facility, a stadium and the Learning Resource Center (administrative offices). The West Des Moines Community School District provides a comprehensive Pre K-12 educational program and an extensive Community Education program.

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 state. The economic condition and outlook of the District have remained strong during the past ten years, following several years of very high economic growth and steady enrollment growth. This growth has had a positive effect on employment and the District's tax base. The District has averaged nearly a five percent annual increase in the tax base over the past 15 years. In fiscal year 2010, the increase was 4.5%.

The tax base is likely to grow at a slower pace in the next few years. Future projections indicate enrollment will remain fairly stable over the next five years.

Retail sales, building permits and population increases in the western suburbs have generally exceeded that of any other location in the metropolitan area or in the state of Iowa. Growth in the Des Moines area suburbs is expected to exceed the state average. A large percentage of these increases are occurring outside the School District boundaries.

In recent years, the state of Iowa has faced an economic downturn that severely hampered its ability to fund schools at the same level as in prior years. The District faces inadequate funding for state aid and other state-funded programs. In fiscal year 2010 the state's net receipts decreased by 4.5%. In light of these challenging economic times, the District has publicly discussed operating budget concerns looking ahead to the next five years. The Board of Education also approved the District's long range facilities plan.

The 2009-2010 school year included many stories of success. The shared vision and five guiding principles continue to be the foundation for curriculum development, integration of technology, community involvement and the learning process.

The shared vision is carefully considered in all District efforts: "The West Des Moines Community School District will be a caring community of learners that knows and lifts every child. We will inspire joy in learning. Our schools will excel at preparing each student for his or her life journey."

Remodeling began at Crestivew Elementary in June, 2009 and was completed in summer 2010. Design work was completed in 2009-10 for the remodeling at Crossroads Park Elementary School. Remodeling began at the school in June 2010. Design work is underway for the Valley High School and Stilwell Junior High remodeling projects.

The Stretching Minds program continued serving many elementary and junior high students during the summer. The program targets students most likely to benefit from additional opportunities in reading, mathematics and community learning.

Athletic Report for 2009-10 School Year

Valley High School brought home its sixth Register All-Sports Trophy in 2010 after an impressive year in athletic competition. West Des Moines Valley was the winner for the large school district earning 73.5 points. Schools are awarded points for finishing in the top eight in a sanctioned state tournament/meet competition, and points are accumulated throughout the school year. A state title is worth 10 points, with a runner-up finish worth eight points and qualifying worth two points. Valley's 73.5 points beat out Iowa City West (58.5), WDM Dowling Catholic (55.5), Ames (50.5) and Cedar Rapids Kennedy (48.5), rounding out the top five.

Valley won the following five state championships in 2009-10: Boys' Swimming, Girls' Soccer, Boys' Tennis, Softball and Cheerleading. Valley won 15 CIML-Iowa Conference Championships and sent 14 teams to their respective state tournaments. Five state Championships were complemented with one 2nd, three 4th, two 5th and two 6th place finishes.

Valley High School continues to be represented by the best students, coaches and fans in the state of Iowa. Participation numbers in all sports continues to be high. Leadership by those students both in the classrooms and on the playing fields remains a highlight for the Valley Athletic Department.

Strong emphasis was placed on personalized learning and strengthening caring relationships.

Other Financial Information

Management of the District is responsible for establishing and maintaining an internal control designed to ensure that its assets are protected from loss, theft or misuse and to ensure that adequate data are compiled to allow for the preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). The internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable 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 is responsible for ensuring that 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 audit, 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 audit for the fiscal year ended June 30, 2010 provided an instance of a material weakness in the internal control over financial reporting but none over compliance.

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, and enterprise funds are included in the annual appropriated budget by program. Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established 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 GAAP 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 with 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.

Relevant Financial Policies. Since the funding formula is pupil driven, an increase in total spending authority occurs by increasing the number of pupils or by increasing the cost per pupil. The cost per pupil is determined by the legislature in setting the amount of allowable growth each year. Under the law, the legislature has 30 days after receiving the governor's budget recommendation to set the state percent of growth for the year following the budget year. To illustrate, the 2010 legislature set the FY11 state percent of growth. The allowable growth becomes increasingly important because as a District, if we are faced with declining enrollment in a given year, the amount of allowable growth often will dictate budget reductions that will take place.

Awards and Acknowledgements

Independent Audits. The accounting firm of Denman & Company, LLP performed the annual audit. In addition to meeting requirements set forth in state statutes, the audit was designed to meet the requirements of federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, required supplementary information, combining and individual fund statements and other schedules is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the West Des Moines Community School District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. The Certificate of Achievement is the highest form of recognition for excellence in state and local financial reporting.

In order to be presented this award, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The West Des Moines Community School District has received a Certificate of Achievement for twenty-three consecutive years.

The School District has also received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) for twenty-five consecutive years. Upon recommendation of the Association's Panel and Review, which has judged that the report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program, we are submitting this report to ASBO to determine its eligibility for another certificate.

A certificate from both associations is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the program requirements of GFOA and ASBO and we are submitting it to both associations to determine its eligibility for another certificate.

Acknowledgement

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the accounting staff and our auditors, Denman & Company, LLP. 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.

Respectively submitted,



Dr. Tom Narak
Superintendent



Kurt Subra, CPA
Chief Financial Officer

**West Des Moines Community School District
BOARD OF EDUCATION
Year ended June 30, 2010**

		<u>Term expires</u>
Before September 2009 election:		
Mark Lyons	President	September 2011
Terry Tobin	Vice President	September 2011
Jill Hansen	Board Member	September 2009
Susan Moritz	Board Member	September 2009
Tom Suckow	Board Member	September 2011
H. Milton Cole	Board Member	September 2011
Barbara Burnett	Board Member	September 2009
 After September 2009 election:		
Terry Tobin	President	September 2011
Tom Suckow	Vice President	September 2011
Jill Hansen	Board Member	September 2013
Mark Lyons	Board Member	September 2011
H. Milton Cole	Board Member	September 2011
Elizabeth Brennan	Board Member	September 2013
Mark Lagomarcino	Board Member	September 2013

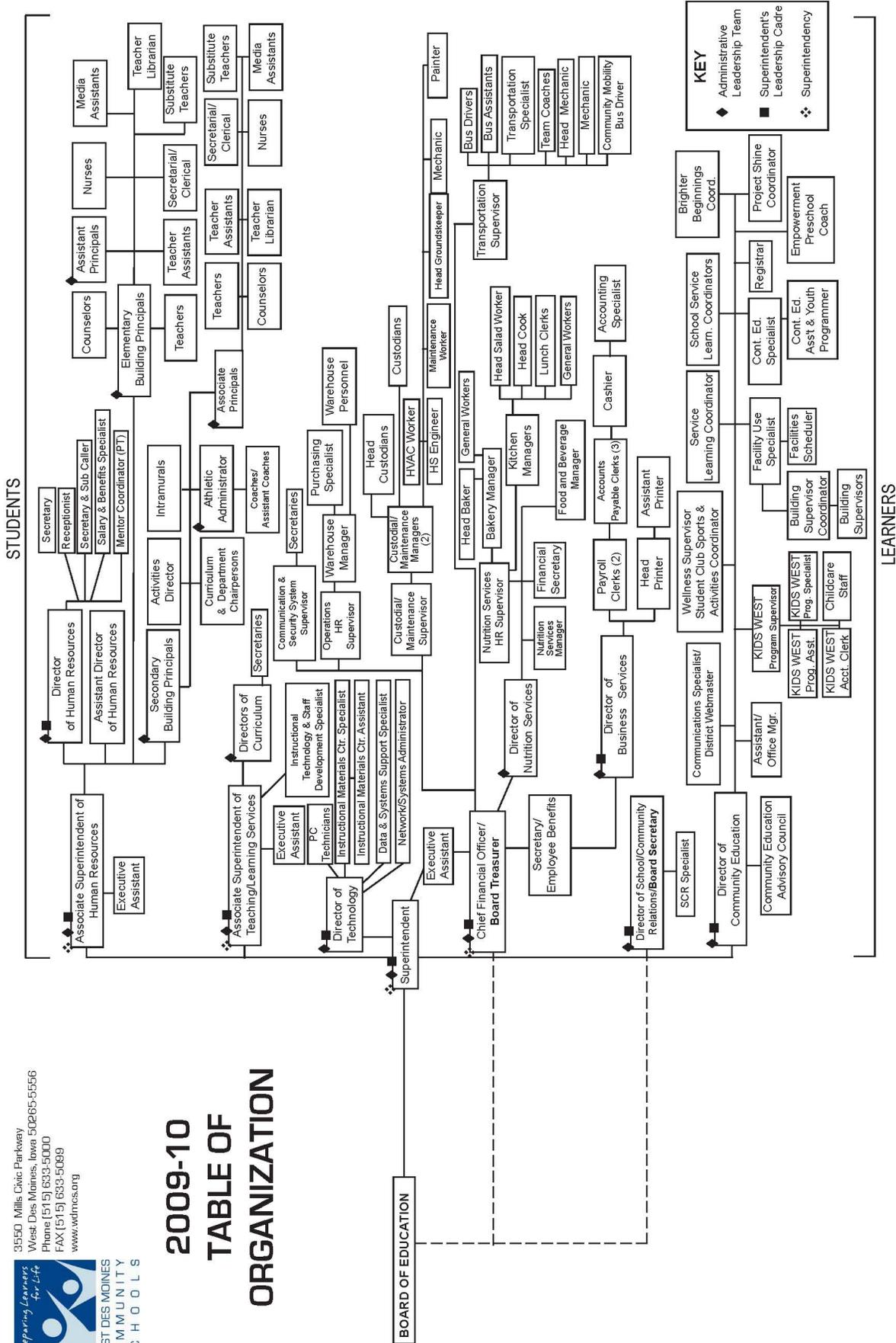
**West Des Moines Community School District
DISTRICT ADMINISTRATION
Year ended June 30, 2010**

Dr. Tom Narak	Superintendent
Dr. Donna Wilkin	Associate Superintendent of Teaching and Learning
Dr. Lisa Remy	Associate Superintendent of Human Resources
Dr. Lori Diebel	Director of Human Resources
Janelle Green	Assistant Director Human Resources/Hillside Elementary Assistant Principal
Kurt Subra, CPA	Chief Financial Officer
Donna Gregory	Director of Finance
David Blum	Director of Curriculum
Dr. Gordon Dahlby	Director of Curriculum/Technology
Dr. Phyllis Staplin	Director of Curriculum
Shahna Janssen	Director of Community Education
Dr. Elizabeth Hanna	Director of Nutrition Services
Kay Rosene	Director of School/Community Relations
Brian Abeling	Director of Technology
Angie Calhoun	Director of Special Education
Dr. Vicky Poole	Valley High School Principal
Rob Boley	Valley High School Associate Principal
Brad Rose	Valley High School Athletic Administrator
David Maxwell	Valley High School Team Associate Principal
Aiddy Phomvisay	Valley High School Team Associate Principal
Shane Christensen	Indian Hills Junior High Principal
Kerry Ketcham	Indian Hills Junior High Assistant Principal
Tim Miller	Stilwell Junior High Principal
Mitch Kuhnert	Stilwell Junior High Assistant Principal
Dr. Robert Davis	Hillside Elementary School Principal
Brandon Pierce	Clive Elementary School Principal
John Villotti	Crestview Elementary School Principal
Britt Cameron	Crossroads Park Elementary School Principal
Carol Seid	Fairmeadows Elementary School Principal
Kent Abrahamson	Valley Southwoods Freshman High School Principal
Shane Scott	Valley Southwoods Freshman High School Associate Principal/Team Leader
Bryan Stearns	Valley Southwoods Freshman High School Associate Principal/Team Leader
Barbara Goetschel	Valley Southwoods Freshman High School Associate Principal/Team Leader
Beth Thornton	Western Hills Elementary School Principal
Dr. Nancy Moorhead	Jordan Creek Elementary School Principal
Mary Jane Stites	Westridge Elementary School Principal
Graham Jones	Jordan Creek and Westridge Elementary Assistant Principal
Andrea Boyd	Phenix Early Childhood Center Principal
Dr. Kim Davis	Walnut Creek Campus Principal

3550 Mills Civic Parkway
 West Des Moines, Iowa 50265-5556
 Phone [515] 633-5000
 FAX [515] 633-5099
 www.wedms.org



2009-10 TABLE OF ORGANIZATION





The Government Finance Officers Association
of the United States and Canada

presents this

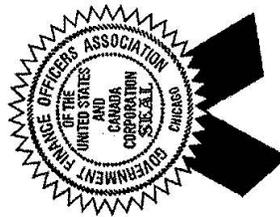
AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Kurt Subra

Chief Financial Officer

West Des Moines Community School District, Iowa



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

Executive Director

Date June 1, 2010

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

WEST DES MOINES COMMUNITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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

Evin Cullen

President

John D. Mraz

Executive Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
West Des Moines Community School District
West Des Moines, Iowa

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of West Des Moines Community School District as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the contents page of this report. These financial statements are the responsibility of District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 West Des Moines Community School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2011 on our consideration of the 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11, budgetary comparison information on pages 42 through 43 and schedule of funding progress for the retiree health plan on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in to United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Des Moines Community School District's financial statements as a whole. The combining nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and the accompanying Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


DENMAN & COMPANY, LLP

West Des Moines, Iowa
January 12, 2011

**West Des Moines Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For fiscal year ended June 30, 2010**

It is an honor to present to you the financial picture of West Des Moines Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the West Des Moines Community School District for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

The District showed an increase in net assets of \$6,696,045 and \$10,127,240 during the years ended June 30, 2010 and 2009, respectively.

Total revenues for the fiscal year ended June 30, 2010 and 2009 of \$113,293,683 and \$114,545,259 were comprised of general revenues in the amount of \$84,296,668 and \$89,483,024 and program revenues totaling \$28,997,015 and \$25,062,235, respectively.

As of June 30, 2010 the District's governmental funds reported combined ending fund balances of \$32,251,573, an increase of \$4,095,083 in comparison with 2009. Of the total combined fund balance, \$25,204,132 represents unreserved undesignated fund balance. As of June 30, 2009, the District's governmental funds reported combined ending fund balances of \$28,156,490, a decrease of \$2,712,809 in comparison with 2008. Of the total combined fund balance, \$20,526,214 represents unreserved undesignated fund balance.

As of June 30, 2010, unreserved fund balance of the General Fund was \$10,132,152 or 11.8 percent of total General Fund expenditures and \$11,550,393 or 13.6 percent for 2009.

The West Des Moines Community School District's total long-term debt increased by \$8,470,000 during fiscal year ended June 30, 2010 and decreased by \$6,275,000 during fiscal year ended June 30, 2009. The increase was due to the issuance of \$15,000,000 of capital loan notes net of scheduled payments.

OVERVIEW OF FINANCIAL STATEMENTS

This Discussion and Analysis is intended to serve as an introduction to the West Des Moines 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 basic financial statements. This report also contains other 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 West Des Moines Community School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of West Des Moines Community School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or 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 change 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).

**West Des Moines Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For fiscal year ended June 30, 2010**

Both of the government-wide financial statements reflect functions of West Des Moines Community School District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, noninstructional programs, 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 and Community Education.

The government-wide financial statements include only West Des Moines 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 West Des Moines 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 funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the 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 the 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 financial 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 West Des Moines Community School District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Physical Plant and Equipment and Local Option Sales Tax 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 these nonmajor 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 16 through 19 of this report.

Proprietary funds. The District maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains four enterprise funds. Internal service funds are used to report the same functions presented as governmental activities in the government-wide financial statements. The District maintains one internal service fund to account for the premium and claim payments for the self-insured health insurance plans for District employees. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. Because the service provided by the District predominately benefits governmental, rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 20 through 25 of this report.

**West Des Moines Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For fiscal year ended June 30, 2010**

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 statements because the resources of those funds are not available to support the West Des Moines Community School District's own programs. The fiduciary fund of the District is an agency fund. Agency funds are custodial in nature and do not involve measurement of results of operation.

The basic fiduciary fund financial statement can be found on page 26 of this report.

Notes to 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 West Des Moines Community School District's budgetary comparison and funding progress for the retiree health plan. Required supplementary information can be found on pages 42 through 44 of this report.

The combining statements referred to earlier in connection with nonmajor 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 \$159,896,932 to \$166,592,977.

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, were \$134,351,230 for 2010 and \$139,712,442 for 2009. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - Net assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total District</u>	
	<u>June 30</u>		<u>June 30</u>		<u>June 30</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
ASSETS						
Current and other assets	\$115,272,541	\$105,126,534	\$2,657,650	\$2,430,110	\$117,930,191	\$107,556,644
Capital assets	<u>148,613,854</u>	<u>139,058,201</u>	<u>737,376</u>	<u>654,241</u>	<u>149,351,230</u>	<u>139,712,442</u>
Total assets	<u>263,886,395</u>	<u>244,184,735</u>	<u>3,395,026</u>	<u>3,084,351</u>	<u>267,281,421</u>	<u>247,269,086</u>
LIABILITIES						
Noncurrent liabilities	19,365,537	4,158,757	195,930	86,870	19,561,467	4,245,627
Other liabilities	<u>80,963,593</u>	<u>82,910,930</u>	<u>163,384</u>	<u>215,597</u>	<u>81,126,977</u>	<u>83,126,527</u>
Total liabilities	<u>100,329,130</u>	<u>87,069,687</u>	<u>359,314</u>	<u>302,467</u>	<u>100,688,444</u>	<u>87,372,154</u>
NET ASSETS						
Invested in capital assets net of debt	133,613,854	139,058,201	737,376	654,241	134,351,230	139,712,442
Restricted	21,353,146	15,883,427	-	-	21,353,146	15,883,427
Unrestricted	<u>8,590,265</u>	<u>2,173,420</u>	<u>2,298,336</u>	<u>2,127,643</u>	<u>10,888,601</u>	<u>4,301,063</u>
Total net assets	<u>\$163,557,265</u>	<u>\$157,115,048</u>	<u>\$3,035,712</u>	<u>\$2,781,884</u>	<u>\$166,592,977</u>	<u>\$159,896,932</u>

The restricted portion of the District's net assets (12.8 percent for 2010 and 9.9 percent for 2009) represents resources that are subject to external restrictions on how they may be used. These restrictions for 2010 include \$15,535,852 for physical plant and equipment levy, \$208,286 for statewide sales and services tax, \$5,318,163 for management levy, and \$290,845 for public education and recreation levy. The remaining balance of unrestricted net assets, \$10,888,601 for 2010 and \$4,301,063 for 2009, may be used to meet the government's ongoing obligations to students and creditors.

**West Des Moines Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For fiscal year ended June 30, 2010**

At the end of the current fiscal year, the West Des Moines 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 \$6,696,045 during the current fiscal year as compared to \$10,127,240 in 2009. The governmental activities' net assets increased by \$6,442,217 in 2010 and \$10,195,983 in 2009. The business-type activities, which include nutrition, community education, preschool regular education and student construction increased by \$253,828 in 2010 and decreased \$68,743 in 2009.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2010 and 2009. This table utilizes the full accrual method of accounting. Revenues less expenses yielded the change in net assets. This change was anticipated and it enabled the District to acquire capital assets and to retire debt.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state foundation support.

Expenses are shown in programs including instruction, support services, noninstructional programs, other, interest on long-term debt, school nutrition, community education, preschool regular education and student construction.

Table 2 - Program Revenues and Expenses

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total District</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
REVENUES						
Program revenues						
Charges for services and sales	\$ 6,031,974	\$ 5,910,224	\$5,382,591	\$5,680,071	\$ 11,414,565	\$ 11,590,295
Operating grants and contributions	16,109,619	12,116,212	1,472,831	1,355,728	17,582,450	13,471,940
General revenue						
Property taxes and other taxes	62,959,574	61,231,443	—	—	62,959,574	61,231,443
Other local sources	1,800,349	2,152,257	253,444	79,290	2,053,793	2,231,547
State sources	18,771,477	25,330,713	—	—	18,771,477	25,330,713
Investment earnings	<u>497,572</u>	<u>665,647</u>	<u>14,252</u>	<u>23,674</u>	<u>511,824</u>	<u>689,321</u>
Total revenues	<u>106,170,565</u>	<u>107,406,496</u>	<u>7,123,118</u>	<u>7,138,763</u>	<u>113,293,683</u>	<u>114,545,259</u>
PROGRAM EXPENSES						
Instruction	66,474,308	64,340,540	—	—	66,474,308	64,340,540
Support services	29,193,099	28,852,848	—	—	29,193,099	28,852,848
Noninstructional programs	434,290	452,155	—	—	434,290	452,155
Other	3,456,794	3,155,688	—	—	3,456,794	3,155,688
Interest on long-term debt	265,043	545,910	—	—	265,043	545,910
School nutrition	—	—	4,134,856	4,139,227	4,134,856	4,139,227
Community education	—	—	2,368,775	2,641,371	2,368,775	2,641,371
Preschool Regular Education	—	—	213,536	210,280	213,536	210,280
Student construction	—	—	<u>56,937</u>	<u>80,000</u>	<u>56,937</u>	<u>80,000</u>
Total expenses	<u>99,823,534</u>	<u>97,347,141</u>	<u>6,774,104</u>	<u>7,070,878</u>	<u>106,597,638</u>	<u>104,418,019</u>
Excess of revenues over expenses before transfers	6,347,031	10,059,355	349,014	67,885	6,696,045	10,127,240
TRANSFERS	<u>95,186</u>	<u>136,628</u>	<u>(95,186)</u>	<u>(136,628)</u>	<u>—</u>	<u>—</u>
Increase (decrease) in net assets	6,442,217	10,195,983	253,828	(68,743)	6,696,045	10,127,240
Net assets beginning of year	<u>157,115,048</u>	<u>146,919,065</u>	<u>2,781,884</u>	<u>2,850,627</u>	<u>159,896,932</u>	<u>149,769,692</u>
Net assets end of year	<u>\$163,557,265</u>	<u>\$157,115,048</u>	<u>\$3,035,712</u>	<u>\$2,781,884</u>	<u>\$166,592,977</u>	<u>\$159,896,932</u>

**West Des Moines Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For fiscal year ended June 30, 2010**

GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$106,170,565 and expenses were \$99,823,534. Property taxes and other taxes such as sales tax and utility replacement tax and state sources including state foundation aid are the primary sources of revenue for the District. These sources represent 59.3 percent and 17.7 percent, respectively, of total revenues. Instruction constitutes the largest portion of expenditures at \$66,474,308 or 66.6 percent of total expenditures.

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 or local taxes. The difference in these two columns would represent restricted grants and charges for services.

Table 3 - Governmental and Business-Type Activities

<u>Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Instruction	\$ 66,474,308	\$ 64,340,540	\$(47,786,251)	\$(49,469,342)
Support services	29,193,099	28,852,848	(29,193,099)	(28,852,848)
Noninstructional programs	434,290	452,155	(434,290)	(452,155)
Other	3,456,794	3,155,688	(3,258)	(450)
Interest on long-term debt	265,043	545,910	(265,043)	(545,910)
School nutrition	4,134,856	4,139,227	(85,313)	(236,183)
Community education	2,368,775	2,641,371	250,197	277,448
Preschool Regular Education	213,536	210,280	(26,629)	3,656
Student Construction	<u>56,937</u>	<u>80,000</u>	<u>(56,937)</u>	<u>(80,000)</u>
Total expenses	<u>\$106,597,638</u>	<u>\$104,418,019</u>	<u>\$(77,600,623)</u>	<u>\$(79,355,784)</u>

Net cost of services is 72.8 percent of total cost of services in 2010 and 76.0 percent in 2009. The cost of governmental activities financed by users of the District's programs was \$6,031,974 for 2010 and \$5,910,224 for 2009. Federal and state governments subsidized certain programs with grants and contributions totaling \$16,109,619 for 2010 and \$12,116,212 for 2009. The remaining net cost of the governmental activities was financed with property tax, state foundation aid and investment earnings.

Approximately 80% of the District's general fund budget is comprised of salary and benefit costs. Historically speaking, collective bargaining contracts have increased 4% or more each year. In addition, District staffing has increased in selected program areas, particularly in special education and English as a Second Language (ESL). These staffing increases have been driven by changing student needs and demographics. In April 2010, however, the Board of Education approved the administration's recommendation to reduce some teaching and staff positions in various education programs and support areas.

BUSINESS TYPE ACTIVITIES

- The School Nutrition and Community Education programs constitute the majority of the business-type activities.
- The primary sources of income are charges for services and federal revenues.
- The School Nutrition's primary expenses are staff and food. The District's free and reduced participation continued to increase during the fiscal year. The School Nutrition Fund had a positive change in net assets of \$88,279 for fiscal year 2010.
- The primary source of revenue for the Community Education fund is sales of services for educational programs. The Community Education fund had a positive change in net assets of \$166,541.

**West Des Moines Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For fiscal year ended June 30, 2010**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds. The focus of the West Des Moines 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 West Des Moines Community School District's governmental funds reported combined ending fund balances of \$32,251,573, an increase of \$4,095,083 in comparison with the prior year fund balance of \$28,156,490. Approximately 99.9 percent or \$32,204,132 for 2010 and \$27,726,214 or 98.5 percent for 2009, constitutes unreserved fund balance, which is available for spending at the government's discretion. The District had designations of \$7,000,000 for cash flow purposes at June 30, 2010 and \$7,200,000 at June 30, 2009. The remainder of the fund balance for 2010 is reserved to indicate that it is not available for new spending because it has already been committed for inventories, \$47,441.

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 \$10,132,152 for 2010 and \$11,550,393 for 2009, while total fund balance reached \$10,179,593 for 2010 and \$11,613,964 for 2009. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.8 percent of total General Fund expenditures, while total fund balance represents approximately 11.9 percent of that same amount for 2010. For 2009, unreserved fund balance represents 13.6 percent of total General Fund expenditures, while total fund balance represents approximately 13.7 percent of that same amount.

The Physical Plant and Equipment Levy (PEEL) Fund balance increased to \$15,535,852 in 2010 from \$2,751,286 in 2009. This increase is due primarily to the proceeds from the issuance of capital loan notes.

The Statewide Sales and Services Tax Fund balance decreased to \$208,286 in 2010 from \$6,759,589 in 2009. This decreased fund balance is attributable to increased capital expenditure activity in 2010.

The fund balance of the District's General Fund decreased by \$1,434,371 during June 30, 2010. Key factors in this decrease are as follows:

- Increase in instruction expenditures during 2010.
- Ten percent mid-year reduction in state aid dollars during 2010.

For 2009, the fund balance of the District's General Fund decreased by \$1,501,708 from 2008. Key factor in this increase is as follows:

- Increase in instruction expenditures during 2009.

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 which includes all funds except internal service and agency funds as described in the note to required supplementary information.

**West Des Moines Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For fiscal year ended June 30, 2010**

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

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Expenditures/ Expenses</u>	
Instruction	\$ 63,256,500	\$ 63,256,500	\$ 61,925,969	\$1,330,531
Support services	31,703,600	31,703,600	28,046,226	3,657,374
Noninstructional programs	7,770,000	7,770,000	7,244,590	525,410
Other	<u>24,043,175</u>	<u>29,843,175</u>	<u>25,402,917</u>	<u>4,440,258</u>
Total	<u>\$126,773,275</u>	<u>\$132,573,275</u>	<u>\$122,619,702</u>	<u>\$9,953,573</u>

The District amended its certified budget to reflect increased construction spending and to better reflect anticipated operating expenses.

The original budget is published at least three months prior to the fiscal year--often prior to settlement of collective bargaining agreements and before final legislative action on the state budget. In the latter portion of the fiscal year the amended budget is published with "not to exceed" amounts to satisfy Iowa's statutory reporting requirements.

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 \$9,638,788 for 2010. Most of the increase can be attributed to the remodeling costs for Crestview Elementary. These costs were paid from sales tax fund revenues. Other major projects included purchases of equipment, computers, and architectural and engineering costs for future remodeling projects.

For 2009, the District recognized a total net increase of \$6,598,921. Most of the increase can be attributed to the remodeling costs for Western Hills Elementary School. All were funded by the sales tax fund revenues.

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

	<u>Total</u>	
	<u>2010</u>	<u>2009</u>
Land	\$ 4,188,998	\$ 4,181,298
Construction-in-progress	16,223,514	10,687,149
Buildings and improvements	125,357,339	121,953,525
Machinery and equipment	<u>3,581,379</u>	<u>2,890,470</u>
Totals	<u>\$149,351,230</u>	<u>\$139,712,442</u>

Additional information about the District's capital assets can be found in Note 5 on page 34 to the financial statements.

**West Des Moines Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For fiscal year ended June 30, 2010**

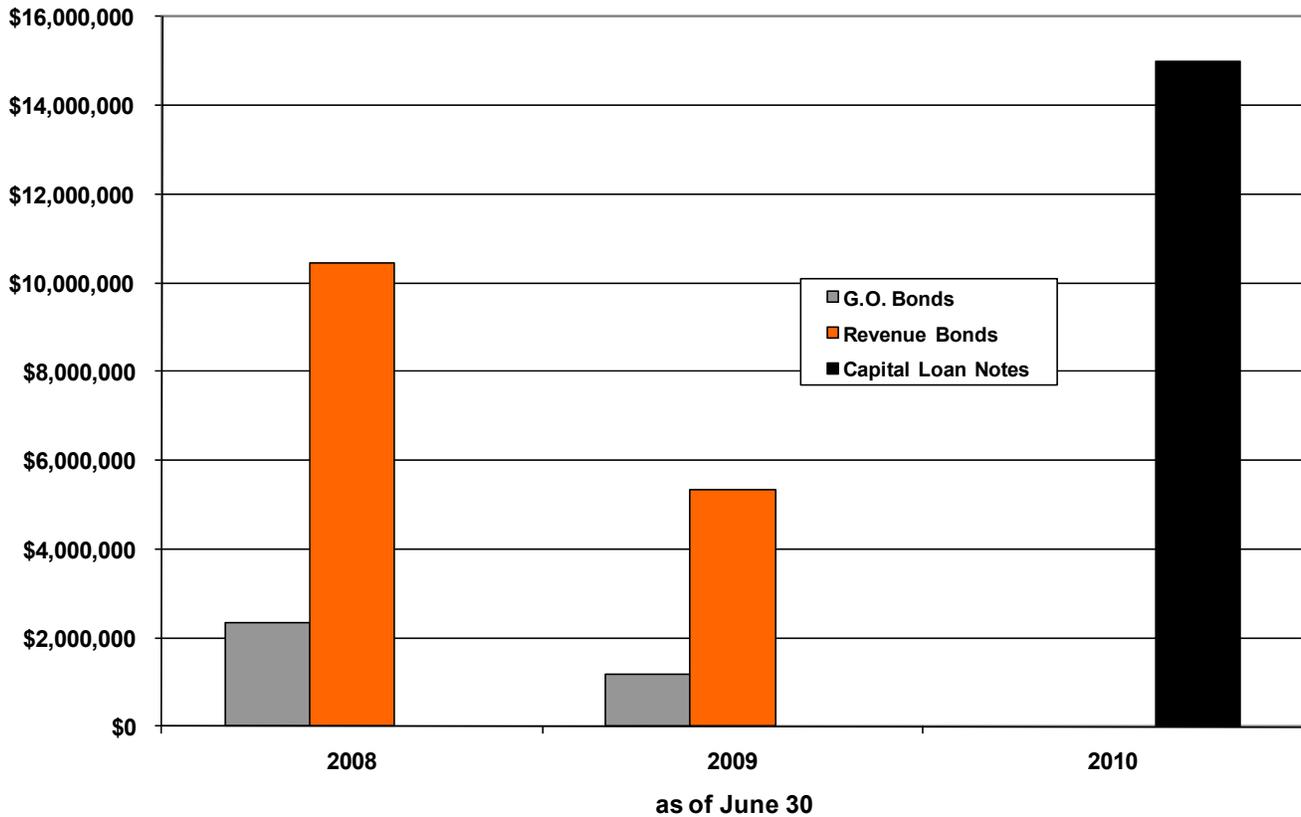
Debt

As of June 30, 2010, the West Des Moines Community School District had bonds and capital loan notes outstanding totaling \$15,000,000 compared to \$6,530,000 as of June 30, 2009. In the current year, the District paid \$6,530,000 in principal and \$291,600 in interest on outstanding debt.

	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ -	\$1,190,000
Revenue bonds	-	5,340,000
Capital loan notes	<u>15,000,000</u>	<u>-</u>
Totals	<u>\$15,000,000</u>	<u>\$6,530,000</u>

As of June 30, 2010, the District's available legal debt margin was \$314,837,128 compared to \$320,867,075 as of June 30, 2009.

Long Term Debt



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

**West Des Moines Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For fiscal year ended June 30, 2010**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District is located in the central part of the state, within the larger Des Moines metropolitan area and it ranks as one of the top growth areas of the state. The economic condition and outlook of the District have remained strong during the past ten years, following several years of very high economic growth and steady enrollment growth. This growth has had a positive effect on employment and the District's tax base. The District has averaged nearly a five percent annual increase in the tax base over the past 15 years. In fiscal year 2010, the increase was 4.5%.

As with state and national trends, the District's tax base is expected to grow at a slower pace in the next few years. Projections indicate enrollment will remain fairly stable over the next five years.

Retail sales, building permits and population increases in the western suburbs have generally exceeded that of any other location in the metropolitan area or in the state of Iowa. Growth in the Des Moines area suburbs is expected to exceed the state average. A large percentage of these increases are occurring outside the School District boundaries.

Recently, the state of Iowa faced an economic downturn that will hamper its ability to fund education at the same level as in prior years. In fiscal year 2010 the state's net receipts decreased by 4.5%. Therefore, the District expects to receive inadequate funding for state aid and other state-funded programs.

All these factors were considered in preparing the West Des Moines Community School District's budget for the 2011 fiscal year. The District's tax rate has remained relatively stable for the past decade; the rate has been in the range of \$13.50 to \$13.70 per \$1,000 of taxable value. This rate is one of the lowest among the twenty largest districts in the state. However, the 2011 tax rate was increased to \$13.94 compared to \$13.64 in 2010. State funding shortfalls have caused school districts to raise property tax rates to fund a higher percentage of the per pupil cost.

Request 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 contact Mr. Kurt Subra, Chief Financial Officer, West Des Moines Community School District, 3550 Mills Civic Parkway, West Des Moines, Iowa 50265-5556.

West Des Moines Community School District
STATEMENT OF NET ASSETS
June 30, 2010

ASSETS	Governmental Activities	Business-type Activities	Total
Current assets			
Cash, cash equivalents, and investments	\$ 52,520,006	\$1,978,055	\$ 54,498,061
Receivables			
Property taxes	57,617,814	-	57,617,814
Other	5,252,091	59,552	5,311,643
Assets held for resale	-	383,500	383,500
Inventories	47,441	71,732	119,173
Internal balances	(164,811)	164,811	-
Total current assets	<u>115,272,541</u>	<u>2,657,650</u>	<u>117,930,191</u>
Noncurrent assets			
Capital assets			
Nondepreciable			
Land	4,173,998	15,000	4,188,998
Construction-in-progress	16,223,514	-	16,223,514
Depreciable			
Buildings and improvements	170,481,784	-	170,481,784
Machinery and equipment	10,207,920	2,433,245	12,641,165
Accumulated depreciation	<u>(52,473,362)</u>	<u>(1,710,869)</u>	<u>(54,184,231)</u>
Net capital assets	<u>148,613,854</u>	<u>737,376</u>	<u>149,351,230</u>
Total noncurrent assets	<u>148,613,854</u>	<u>737,376</u>	<u>149,351,230</u>
Total assets	<u>263,886,395</u>	<u>3,395,026</u>	<u>267,281,421</u>

LIABILITIES	Governmental Activities	Business-type Activities	Total
Current liabilities			
Accounts payable	\$ 4,941,521	\$ 86,411	\$ 5,027,932
Claims payable	6,852,443	-	6,852,443
Accrued liabilities	7,061,295	-	7,061,295
Deferred revenue	59,195,720	76,973	59,272,693
Capital loan notes	1,150,000	-	1,150,000
Compensated absences	350,585	-	350,585
Liability for early retirement	1,412,029	-	1,412,029
Total current liabilities	<u>80,963,593</u>	<u>163,384</u>	<u>81,126,977</u>
Noncurrent liabilities			
Capital notes	13,850,000	-	13,850,000
Liability for early retirement	2,912,467	-	2,912,467
Net OPEB liability	2,603,070	195,930	2,799,000
Total noncurrent liabilities	<u>19,365,537</u>	<u>195,930</u>	<u>19,561,467</u>
Total liabilities	<u>100,329,130</u>	<u>359,314</u>	<u>100,688,444</u>
NET ASSETS			
Investment in capital assets, net of related debt	133,613,854	737,376	134,351,230
Restricted for			
Physical plant and equipment levy	15,535,852	-	15,535,852
Statewide sales and services tax	208,286	-	208,286
Management levy	5,318,163	-	5,318,163
Public education and recreation levy	290,845	-	290,845
Unrestricted	<u>8,590,265</u>	<u>2,298,336</u>	<u>10,888,601</u>
Total net assets	<u>\$163,557,265</u>	<u>\$3,035,712</u>	<u>\$166,592,977</u>

**West Des Moines Community School District
STATEMENT OF ACTIVITIES
Year ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
PRIMARY GOVERNMENT			
Governmental activities			
Instruction	\$ 66,474,308	\$ 6,031,974	\$ 12,656,083
Support services	29,193,099	-	-
Noninstructional programs	434,290	-	-
Other	3,456,794	-	3,453,536
Interest on long-term debt	265,043	-	-
Total governmental activities	<u>99,823,534</u>	<u>6,031,974</u>	<u>16,109,619</u>
Business-type activities			
School nutrition	4,134,856	2,763,619	1,285,924
Community education	2,368,775	2,618,972	-
Preschool Regular Education	213,536	-	186,907
Student Construction	56,937	-	-
Total business-type activities	<u>6,774,104</u>	<u>5,382,591</u>	<u>1,472,831</u>
Total primary government	<u>\$106,597,638</u>	<u>\$11,414,565</u>	<u>\$ 17,582,450</u>

General revenues and transfers

General revenues
Property taxes
Statewide sales and services tax
Utility replacement tax
Other local sources
State foundation aid, unrestricted
Investment earnings
Transfers
Total general revenues and transfers

Changes in net assets

Net assets, beginning of year

Net assets, end of year

**Net (Expense) Revenue and
Changes in Net Assets**

Governmental Activities	Business-type Activities	Totals
\$ (47,786,251)	\$ —	\$ (47,786,251)
(29,193,099)	—	(29,193,099)
(434,290)	—	(434,290)
(3,258)	—	(3,258)
<u>(265,043)</u>	<u>—</u>	<u>(265,043)</u>
<u>(77,681,941)</u>	<u>—</u>	<u>(77,681,941)</u>
—	(85,313)	(85,313)
—	250,197	250,197
—	(26,629)	(26,629)
<u>—</u>	<u>(56,937)</u>	<u>(56,937)</u>
<u>—</u>	<u>81,318</u>	<u>81,318</u>
<u>(77,681,941)</u>	<u>81,318</u>	<u>(77,600,623)</u>
53,550,085	—	53,550,085
8,485,639	—	8,485,639
923,850	—	923,850
1,800,349	253,444	2,053,793
18,771,477	—	18,771,477
497,572	14,252	511,824
95,186	(95,186)	—
<u>84,124,158</u>	<u>172,510</u>	<u>84,296,668</u>
6,442,217	253,828	6,696,045
<u>157,115,048</u>	<u>2,781,884</u>	<u>159,896,932</u>
<u>\$163,557,265</u>	<u>\$3,035,712</u>	<u>\$166,592,977</u>



WEST DES MOINES
COMMUNITY
S C H O O L S

**West Des Moines Community School District
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2010**

	<u>General</u>	<u>Physical Plant and Equipment</u>	<u>Statewide Sales and Services Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash, cash equivalents and investments	\$17,132,801	\$18,050,634	\$ –	\$ 8,127,035	\$ 43,310,470
Receivables					
Property taxes	48,074,980	7,271,745	–	2,271,089	57,617,814
Due from other governments	1,430,166	–	2,524,974	–	3,955,140
Due from other funds	1,681,894	6,057	2,200,000	–	3,887,951
Other	731	–	–	100	831
Inventories	<u>47,441</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>47,441</u>
Total assets	<u>\$68,368,013</u>	<u>\$25,328,436</u>	<u>\$4,724,974</u>	<u>\$10,398,224</u>	<u>\$108,819,647</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds	\$ –	\$ 2,200,000	\$1,699,976	\$ 6,057	\$ 3,906,033
Accounts payable	2,711,938	368,474	1,469,116	391,993	4,941,521
Accrued liabilities	7,061,295	–	–	–	7,061,295
Deferred revenue					
Succeeding year property tax	47,780,754	7,224,110	–	2,245,304	57,250,168
Other	634,433	–	1,347,596	14,999	1,997,028
Liability for early retirement	–	–	–	1,412,029	1,412,029
Total liabilities	<u>58,188,420</u>	<u>9,792,584</u>	<u>4,516,688</u>	<u>4,070,382</u>	<u>76,568,074</u>
Fund balances					
Reserved for					
Inventories	47,441	–	–	–	47,441
Unreserved					
Board designated for cash flow purposes	7,000,000	–	–	–	7,000,000
Unreserved, undesignated reported in					
General Fund	3,132,152	–	–	–	3,132,152
Special revenue funds	–	15,535,852	–	6,327,842	21,863,694
Capital projects funds	–	–	208,286	–	208,286
Total fund balances	<u>10,179,593</u>	<u>15,535,852</u>	<u>208,286</u>	<u>6,327,842</u>	<u>32,251,573</u>
Total liabilities and fund balances	<u>\$68,368,013</u>	<u>\$25,328,436</u>	<u>\$4,724,974</u>	<u>\$10,398,224</u>	<u>\$108,819,647</u>

See Notes to Basic Financial Statements.

West Des Moines Community School District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2010

Total governmental fund balances		\$ 32,251,573
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds		148,613,854
Receivables not collected within 60 days of year end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds		1,347,596
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the Internal Service Fund is included in governmental activities in the statement of net assets		
Other current assets	10,505,656	
Other current liabilities	<u>(8,148,563)</u>	<u>2,357,093</u>
Internal Service Fund allocated to business-type activities		(146,729)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Capital notes, current	(1,150,000)	
Capital notes, noncurrent	(13,850,000)	
Compensated absences, current	(350,585)	
Liability for early retirement, noncurrent	(2,912,467)	
Other postemployment benefits payable	<u>(2,603,070)</u>	<u>(20,866,122)</u>
Net assets of governmental activities		<u>\$163,557,265</u>

West Des Moines Community School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES—GOVERNMENTAL FUNDS
Year ended June 30, 2010

	<u>General</u>	<u>Physical Plant and Equipment</u>	<u>Statewide Sales and Services Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES					
Property taxes and other local sources					
Property taxes	\$42,730,531	\$ 6,984,931	\$ —	\$ 3,834,623	\$ 53,550,085
Statewide sales and services tax	—	—	7,138,043	—	7,138,043
Utility replacement	745,006	113,068	—	65,776	923,850
Other local sources	1,501,536	5,468	—	290,842	1,797,846
Investment earnings	207,350	20,597	211,339	58,286	497,572
Student activities	266,272	—	—	1,636,495	1,902,767
Intermediary sources	137,472	—	—	—	137,472
Tuition/transportation	3,991,735	—	—	—	3,991,735
State sources					
State foundation aid	22,225,013	—	—	—	22,225,013
Other state sources	5,775,723	1,676	—	942	5,778,341
Federal sources	<u>6,824,781</u>	<u>52,961</u>	<u>—</u>	<u>—</u>	<u>6,877,742</u>
Total revenues	<u>84,405,419</u>	<u>7,178,701</u>	<u>7,349,382</u>	<u>5,886,964</u>	<u>104,820,466</u>
EXPENDITURES					
Current					
Instruction	58,034,767	1,637,536	—	2,253,666	61,925,969
Support services					
Student support services	2,894,430	—	—	—	2,894,430
Instructional staff support services	4,081,400	—	—	380	4,081,780
General administration	504,213	27,552	259,093	957,891	1,748,749
School/building administration	4,391,135	—	—	—	4,391,135
Business administration	3,086,930	456,382	350	56,015	3,599,677
Plant operation and maintenance	6,243,045	255,846	—	1,363,318	7,862,209
Student transportation	3,169,915	298,331	—	—	3,468,246
Noninstructional programs	—	—	—	470,486	470,486
Other	—	—	—	3,258	3,258
Capital outlay	45,070	1,915,274	12,928,589	235,590	15,124,523
Debt service					
Principal	—	—	—	6,530,000	6,530,000
Interest	—	—	—	291,600	291,600
AEA Support - direct to AEA	<u>3,453,536</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,453,536</u>
Total expenditures	<u>85,904,441</u>	<u>4,590,921</u>	<u>13,188,032</u>	<u>12,162,204</u>	<u>115,845,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,499,022)</u>	<u>2,587,780</u>	<u>(5,838,650)</u>	<u>(6,275,240)</u>	<u>(11,025,132)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	120,000	144,105	4,947,319	5,662,839	10,874,263
Transfers (out)	(80,378)	(4,947,319)	(5,659,972)	(91,408)	(10,779,077)
Proceeds from capital loan notes	—	15,000,000	—	—	15,000,000
Proceeds from sale of capital assets	<u>25,029</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>25,029</u>
Total other financing sources (uses)	<u>64,651</u>	<u>10,196,786</u>	<u>(712,653)</u>	<u>5,571,431</u>	<u>15,120,215</u>
Net change in fund balances	(1,434,371)	12,784,566	(6,551,303)	(703,809)	4,095,083
FUND BALANCES , beginning of year	<u>11,613,964</u>	<u>2,751,286</u>	<u>6,759,589</u>	<u>7,031,651</u>	<u>28,156,490</u>
FUND BALANCES , end of year	<u>\$10,179,593</u>	<u>\$15,535,852</u>	<u>\$ 208,286</u>	<u>\$ 6,327,842</u>	<u>\$ 32,251,573</u>

See Notes to Basic Financial Statements.

West Des Moines Community School District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year ended June 30, 2010

Net change in fund balances—total governmental funds \$ 4,095,083

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

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

Capital outlay		15,124,524
Depreciation expense by function		
Instruction	\$(4,655,831)	
Support services	<u>(890,514)</u>	(5,546,345)
Proceeds from sale of capital assets	(25,029)	
Loss on sale of capital assets	<u>2,503</u>	(22,526)

Some receivables will not be collected for several months after the District's fiscal year ends, so they are not considered as "available" revenues in the governmental funds, and they are instead counted as deferred revenues. They are, however, recorded as revenues in the statement of activities.

1,347,596

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items

Issuance of capital notes	(15,000,000)	
Repayment of bond principal	6,530,000	
Interest	24,300	
Amortization of bond premiums and bond issue costs	<u>2,257</u>	(8,443,443)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the Internal Service Fund is reported with governmental activities

1,326,489

Change in Internal Service Fund allocation to business-type activities

(82,574)

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

Change in compensated absences, support services		9,410
Change in liability for early retirement		
Instruction	(110,718)	
Support	148,627	
Noninstruction	45,034	
Change in liability for other postemployment benefits		
Instruction	(1,025,705)	
Support	(414,397)	
Noninstruction	<u>(8,838)</u>	

Change in net assets of governmental activities

\$6,442,217

West Des Moines Community School District
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
ASSETS		
Current assets		
Cash, cash equivalents, and investments	\$ 1,978,055	\$ 9,209,536
Other receivables	6,251	1,296,120
Due from other governments	53,301	-
Due from other funds	474,437	-
Assets held for resale	383,500	-
Inventories	71,732	-
Total current assets	<u>2,967,276</u>	<u>10,505,656</u>
Noncurrent assets		
Capital assets		
Land	15,000	-
Machinery and equipment	2,433,245	-
Less accumulated depreciation	(1,710,869)	-
Total noncurrent assets	<u>737,376</u>	<u>-</u>
Total assets	<u>3,704,652</u>	<u>10,505,656</u>
LIABILITIES		
Current liabilities		
Due to other funds	456,355	-
Accounts payable	86,411	-
Claims payable	-	6,852,443
Unearned revenue	76,973	1,296,120
Total current liabilities	<u>619,739</u>	<u>8,148,563</u>
Long-term liabilities		
Net OPEB liability	195,930	-
Total liabilities	<u>815,669</u>	<u>8,148,563</u>
NET ASSETS		
Invested in capital assets	737,376	-
Unrestricted	<u>2,151,607</u>	<u>2,357,093</u>
Total net assets	<u>\$ 2,888,983</u>	<u>\$ 2,357,093</u>

See Notes to Basic Financial Statements.

West Des Moines Community School District
RECONCILIATION OF ENTERPRISE FUNDS NET ASSETS TO
THE NET ASSETS OF BUSINESS-TYPE ACTIVITIES
June 30, 2010

Total enterprise funds net assets	\$2,888,983
--	--------------------

Amounts reported for business-type activities in the statement of net assets are different because internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the Internal Service Fund is included in governmental activities in the statement of net assets.

146,729

Net assets of business-type activities

\$3,035,712

West Des Moines Community School District
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2010

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
OPERATING REVENUES		
Food sales	\$ 2,763,619	\$ —
Sale of services	2,618,972	—
Charges for services	—	13,419,430
Total operating revenues	<u>5,382,591</u>	<u>13,419,430</u>
OPERATING EXPENSES		
Salaries	2,844,174	—
Employee benefits	1,261,528	16,700
Purchased services	339,787	1,244,131
Food consumed	1,643,452	—
Supplies	429,915	89,045
Depreciation	119,425	—
Claims and administration	—	10,743,065
Other	135,823	—
Total operating expenses	<u>6,744,104</u>	<u>12,092,941</u>
Operating income (loss)	<u>(1,391,513)</u>	<u>1,326,489</u>
NONOPERATING REVENUE		
Federal food commodities	258,957	—
Federal and state appropriations	1,213,874	—
Interest	14,252	—
Other	170,870	—
Total nonoperating revenues	<u>1,657,953</u>	<u>—</u>
Income before transfers	<u>266,440</u>	<u>1,326,489</u>
Transfers (out)	<u>(95,186)</u>	<u>—</u>
Change in net assets	171,254	1,326,489
Total net assets, beginning of year	<u>2,717,729</u>	<u>1,030,604</u>
Total net assets, end of year	<u>\$ 2,888,983</u>	<u>\$ 2,357,093</u>

See Notes to Basic Financial Statements.

**West Des Moines Community School District
RECONCILIATION OF THE CHANGE IN NET ASSETS
OF ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES
Year ended June 30, 2010**

Net changes in net assets in enterprise funds \$ 171,254

Amounts reported for proprietary activities in the statement of activities are different because internal service funds are used by management to charge the costs of various activities internally to individual funds. The net revenue of certain activities of the Internal Service Fund is reported with business-type activities.

82,574

Change in net assets of business-type activities

\$ 253,828

**West Des Moines Community School District
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2010**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 5,652,509	\$13,419,430
Payments to suppliers	(2,393,910)	(1,333,176)
Payments to employees	(3,996,642)	(16,700)
Claims paid	-	(9,371,760)
Other payments	<u>(135,823)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(873,866)</u>	<u>2,697,794</u>
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES		
Federal and state appropriations received	1,213,874	-
Payments on interfund accounts	(13,172)	-
Transfers (out)	(95,186)	-
Other, local donations and grants	<u>170,870</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>1,276,386</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	<u>(207,470)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>14,252</u>	<u>-</u>
Net change in cash and cash equivalents	209,302	2,697,794
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,768,753</u>	<u>6,511,742</u>
End of year	<u>\$ 1,978,055</u>	<u>\$ 9,209,536</u>

See Notes to Basic Financial Statements.

West Des Moines Community School District
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
Year ended June 30, 2010

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$(1,391,513)	\$1,326,489
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	119,425	-
Federal food commodities used	258,957	-
Change in assets and liabilities		
Receivables	38,409	(108,508)
Assets held for resale	7,543	-
Inventories	26,122	-
Prepaid expenses	10,344	-
Accounts payable	(46,624)	-
Claims payable	-	1,371,305
Unearned revenue	(5,589)	108,508
Net OPEB liability	<u>109,060</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (873,866)</u>	<u>\$2,697,794</u>
SCHEDULE OF NONCASH ITEMS		
Capital and related financing activities, federal food commodities received	<u>\$ 258,957</u>	<u>\$ -</u>

**West Des Moines Community School District
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
June 30, 2010**

	<u>Flower</u>
ASSETS	
Cash, cash equivalents, and investments	\$ <u>1,680</u>
LIABILITIES AND FUND EQUITY	
Due to private individuals	\$ <u>1,680</u>

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 NATURE OF OPERATIONS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The West Des Moines Community School District (the District) was incorporated under Chapter 274 of the State Code of Iowa. The District has the power to make rules and regulations for its own government consistent with the laws of the state of Iowa and the regulations of the Iowa State Board of Education. The District is governed by the elected West Des Moines Community School Board of Education (the Board). The District is composed of one high school, one ninth grade school, two junior high schools, nine elementary schools and one alternative high school. Student enrollment (kindergarten through high school) for the 2009-2010 school year was 8,858 regular and special education students. The District employs a total of 1,190 full time equivalent personnel.

Reporting Entity

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a 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. In addition, the GASB issued Statement No. 39, in May 2002, which sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. Based on these criteria, there are no other organizations which should be included in these basic financial statements.

Basis of Presentation: The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Interfund services provided and used are not eliminated in the process of consolidation for these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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 and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF OPERATIONS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Reporting Entity (continued)

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 is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the fund consists primarily of local property taxes and state governmental aid.

Physical Plant and Equipment Fund: Accounts for the resources used to pay for the purchase and improvement of sites, demolition work, special assessments and major building repairs. The fund is required to be accounted for as a special revenue fund by state statutes.

Statewide Sales and Services Tax Fund: The Statewide Sales and Services Tax Fund, a capital projects fund, accounts for all financial transactions from the statewide sales and services tax for school infrastructure authorized by Iowa Code Chapter 422E.

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

Special Revenue Funds: Are used to account for the revenue sources that are legally restricted to expenditures for specific purposes.

Management Fund: Accounts for tort liability insurance premiums, unemployment compensation insurance claims and early retirement incentive payments.

Playground Fund: Accounts for the resources used to establish and maintain public recreation places and playgrounds and necessary accommodations for children and adults.

Student Activity Fund: Accounts for money held by the District on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular or extracurricular activities of the District.

Debt Service Fund: Accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of local property taxes.

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF OPERATIONS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Reporting Entity (continued)

Fund Accounting (continued)

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.

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. The District has elected to 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 Principle Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

The following enterprise funds of the District are considered nonmajor:

School Nutrition Fund: Accounts for the food service operations of the District.

Community Education Fund: Accounts for the educational programs available to the general public on a fee basis.

Preschool Regular Education Fund: To account for the resources, including registration and tuition fees as well as funding from the Polk County Empowerment, used to service the children eligible to attend one of the eleven preschool centers in the West Des Moines area.

Student Construction Fund: To account for the construction costs of building houses by the Valley High School construction technology classes and the income generated through the sale of these houses.

Internal Service Fund: The Internal Service Fund is used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District's Internal Service Fund is used to account for the premium and claim payments for the self-insured health insurance plans for District employees.

Fiduciary Fund Types: Fiduciary fund types are used to account for net assets and changes in net assets. The District has one fiduciary fund which is considered an Agency Fund.

Flower Fund: To account for donations to be used for flower purchases for memorials or illnesses of District employees.

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF OPERATIONS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Reporting Entity (continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded 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.

Revenues - exchange and nonexchange transactions: Property taxes, other taxes, grants, entitlements and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which it is budgeted. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used if first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. This is determined to occur when the budget is certified and approved by the state of Iowa. The current tax levy recognized in revenue was certified in April 2009 based on 2008 assessed valuations. These taxes are due in two installments on September 30 and March 31, with a 1.5 percent per month penalty for delinquent payment.

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

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF OPERATIONS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Significant Accounting Policies

The significant accounting policies followed by the District include the following:

Cash, cash equivalents, and investment accounts: Separate bank accounts and investments are not maintained for all District funds, as certain funds maintain their cash and investment balances in a pooled account. Accounting records are maintained to show the portion of the pooled account attributable to each participating fund.

Inventories: Inventories are valued at cost (first-in, first-out), which approximates market. The consumption method of accounting is applied to the governmental fund type inventories. Unused commodities at balance sheet date are reported as inventory in the statement of net assets.

Capital assets: General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The District maintains a capitalization threshold of \$5,000 (\$500 for the School Nutrition Fund). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction-in-progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated lives</u>
Buildings and improvements	20 - 50 years
Machinery and equipment	5 - 20 years
Intangibles	15 years

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

Deferred revenue: Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Accrued payroll: Payroll and the related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but have balances payable in July and August, have been accrued as a liability as they are applicable to services provided during the respective fiscal years and will be paid with available resources.

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF OPERATIONS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Significant Accounting Policies (continued)

Compensated absences: For governmental funds, the unpaid compensated absences that are considered due are recorded within the funds. There is no amount considered due as of year-end. The amount of the liability not considered due is not reported in fund financial statements. However, the entire compensated absence liability is reported on the government-wide financial statements.

Self-insurance: The District is self-insured for health and dental benefits. The District's premiums and claims are accounted for in the Internal Service Fund. Premiums are charged by the Internal Service Fund to operating funds based upon number of employees and selected coverage in each fund.

There have been no significant reductions in insurance coverage for the District from the prior year.

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

Fund equity: Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Designations of fund balance represents tentative management plans that are subject to change.

Net assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted through enabling legislation consists of \$15,535,852 for physical plant and equipment levy, \$208,286 for statewide sales and services tax, \$5,318,163 for management levy, and \$290,845 for public education and recreation levy.

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

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

Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 BUDGETARY AND BUDGETARY CONTROL

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, 2010, disbursements did not exceed amounts budgeted.

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS

The District's deposits in banks at June 30, 2010 were entirely covered by federal depository insurance or 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 improvements certificates of a drainage district.

At June 30, 2010, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$11,718 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Credit risk - The investment in the Iowa Schools Joint Investment Trust was rated Aaa by Moody's Investors Service.

NOTE 4 INTERFUND BALANCES

Individual interfund receivable and payable balances as of June 30, 2010, were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major funds		
General	\$1,681,894	\$ -
Special Revenue, Physical Plant and Equipment	6,057	2,200,000
Statewide Sales and Services Tax	2,200,000	1,699,976
Other nonmajor governmental funds	-	6,057
Other nonmajor enterprise fund	<u>474,437</u>	<u>456,355</u>
	<u>\$4,362,388</u>	<u>\$4,362,388</u>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. The interfund receivable and payable are scheduled to be collected in the subsequent year.

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds		
General	\$ 120,000	\$ 80,378
Special Revenue, Physical Plant and Equipment	144,105	4,947,319
Statewide Sales and Services Tax	4,947,319	5,659,972
Other nonmajor governmental funds	5,662,839	91,408
Other nonmajor enterprise fund	<u>-</u>	<u>95,186</u>
	<u>\$10,874,263</u>	<u>\$10,874,263</u>

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

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 4,166,298	\$ 7,700	\$ —	\$ 4,173,998
Construction-in-progress	<u>10,687,149</u>	<u>13,642,897</u>	<u>8,106,532</u>	<u>16,223,514</u>
Total capital assets, not being depreciated	<u>14,853,447</u>	<u>13,650,597</u>	<u>8,106,532</u>	<u>20,397,512</u>
Capital assets, being depreciated				
Buildings and improvements	162,422,139	8,059,645	—	170,481,784
Machinery and equipment	<u>8,960,835</u>	<u>1,520,814</u>	<u>273,729</u>	<u>10,207,920</u>
Total capital assets, being depreciated	<u>171,382,974</u>	<u>9,580,459</u>	<u>273,729</u>	<u>180,689,704</u>
Accumulated depreciation				
Buildings and improvements	40,468,614	4,655,831	—	45,124,445
Machinery and equipment	<u>6,709,606</u>	<u>890,514</u>	<u>251,203</u>	<u>7,348,917</u>
Total accumulated depreciation	<u>47,178,220</u>	<u>5,546,345</u>	<u>251,203</u>	<u>52,473,362</u>
Total capital assets, being depreciated, net	<u>124,204,754</u>	<u>4,034,114</u>	<u>22,526</u>	<u>128,216,342</u>
Governmental activities capital assets, net	<u>\$139,058,201</u>	<u>\$17,684,711</u>	<u>\$8,129,058</u>	<u>\$148,613,854</u>
Business-type activities				
Capital assets, not being depreciated, land	\$ 15,000	\$ —	\$ —	\$ 15,000
Capital assets, being depreciated, machinery and equipment	2,349,473	207,470	123,698	2,433,245
Accumulated depreciation, machinery and equipment	<u>1,710,232</u>	<u>119,425</u>	<u>118,788</u>	<u>1,710,869</u>
Total capital assets, being depreciated, net	<u>639,241</u>	<u>88,045</u>	<u>4,910</u>	<u>722,376</u>
Business-type activities capital assets, net	<u>\$ 654,241</u>	<u>\$ 88,045</u>	<u>\$ 4,910</u>	<u>\$ 737,376</u>

Depreciation expense was charged to the functions as follows:

Governmental activities		
Instruction		\$ 4,655,831
Support services		<u>890,514</u>
Total depreciation expense, governmental activities		<u>\$ 5,546,345</u>
Business-type activities, nutrition		<u>\$ 119,425</u>

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 LONG-TERM DEBT

The following is a summary of changes in long-term debt of the District including liabilities for compensated absences and early retirement:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>	<u>Balances due within one year</u>
Governmental activities					
General obligation bonds	\$1,190,000	\$ -	\$ 1,190,000	\$ -	\$ -
Revenue bonds	5,340,000	-	5,340,000	-	-
Capital loan notes	-	15,000,000	-	15,000,000	1,150,000
Compensated absences	359,995	529,570	538,980	350,585	350,585
Net OPEB liability	1,241,000	3,201,000	1,643,000	2,799,000	-
Totals	<u>\$8,130,995</u>	<u>\$18,730,570</u>	<u>\$ 8,711,980</u>	<u>\$18,149,585</u>	<u>\$1,500,585</u>

Compensated absences are generally liquidated by the General Fund.

The District's general obligation debt is as follows:

Capital Loan Notes

- On June 29, 2010, the District issued \$15,000,000 in Capital Loan Notes to provide funds for district construction projects and the purchase of equipment. The notes bear interest at 2.63% and had an unpaid balance of \$15,000,000 at June 30, 2010. The notes are payable from the Physical Plant and Equipment Levy Fund, through 2021. The notes are not a general obligation of the District.

Annual debt service requirements to service all outstanding indebtedness as of June 30, 2010, are as follows:

<u>Year ending June 30</u>	<u>Capital Loan Note</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,150,000	\$ 294,211
2012	1,180,000	339,215
2013	1,215,000	321,515
2014	1,255,000	300,253
2015	1,290,000	272,015
2016-2020	7,275,000	870,155
2021-2025	<u>1,635,000</u>	<u>51,502</u>
Totals	<u>\$15,000,000</u>	<u>\$2,448,866</u>

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 LONG-TERM DEBT (continued)

As of June 30, 2010, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$6,596,742,563</u>
Debt limit, 5% of total assessed valuation	\$329,837,128
Amount of debt applicable to debt limitation, total indebtedness	<u>15,000,000</u>
Excess of debt limit over debt outstanding, legal debt margin	<u>\$314,837,128</u>

NOTE 7 EARLY RETIREMENT

In order to hasten early retirement, the District offered an early retirement plan benefit to its employees. The Board reserves the right to amend or revoke this Early Retirement Plan or any provision of this plan at any time, with or without notice.

To be eligible to participate in this Plan, an employee must (1) have worked a minimum of thirty hours per week, or seventy percent of contract, during each of the last eight full years of service; (2) a year of service refers to a school year. Thus, in order to count as a school year, the employee must be employed by the first student contact day in order for that year to count towards a full year of service; (3) have a minimum of eight full years of continuous service in the District; (4) have obtained the age of fifty-five as of June 30, 2010; (5) an employee terminated for just cause, or receiving payments or benefits from or on behalf of the District that are not tied to the performance of current duties, is not eligible (6) an employee is eligible to participate in the plan only at the end of the current school year.

Benefits to eligible employees include a lump sum payment in January following retirement, which is based on the number of sick leave days accumulated as of retirement (125 maximum for nine- and ten-month employees or 135 maximum for 11- and 12-month employees) multiplied by \$30 per day. In addition, eligible employees will receive single District/major medical insurance substantially paid by the District through the month prior to the employee's 65th birthday.

As of June 30, 2010, the District has \$1,412,029 accrued in the Management Fund, as it is considered due, and an additional \$2,912,467 recorded in the government-wide financial statements. The current year cost to the District was \$849,338 which consisted of 177 participants in the plan. A summary of changes in liability for early retirement is shown as follows:

Balance, June 30, 2009	\$3,863,420
Additions	1,310,414
Reductions	<u>849,338</u>
Balance, June 30, 2010	<u>\$4,324,496</u>

NOTE 8 OTHER POST EMPLOYMENT BENEFITS

The District operates a single-employer retiree benefit plan which provides medical benefits, including prescription drugs for retirees and their spouses and dependents. There are 1,144 active and 107 retired members in the plan. Participants must be age 55 or older at retirement.

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (continued)

The medical benefit plans are self-insured and are administered by a third party. Retirees under age 65 pay a monthly contribution equal to the current monthly premium equivalents by plan/rate tier less a subsidy provided by the District. The District's subsidy is equal to the single premium for the lowest cost plan. The retiree must pay the premium cost due to inflation for the Alliance Select PPO and the full additional cost for any dependents, regardless of plan selected. This results in an implicit subsidy and an Other Post Employment Benefit, OPEB, liability. The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

The District's annual OPEB cost is calculated based on the annual required contribution, ARC, of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for June 30, 2010, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution, ARC	\$3,192,000
Interest on net OPEB obligation	56,000
Adjustment to annual required contribution	<u>(47,000)</u>
Annual OPEB cost	3,201,000
Contributions made	<u>1,643,000</u>
Increase in net OPEB obligation	1,558,000
Net OPEB obligation, beginning of year	<u>1,241,000</u>
 Net OPEB obligation, end of year	 <u>\$2,799,000</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

For the year ended June 30, 2010, the District contributed \$1,643,000 to the plan. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2010 are summarized as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB cost</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
June 30, 2010	<u>\$3,201,000</u>	<u>51%</u>	<u>\$2,799,000</u>

As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$23,729,000 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability, UAAL, of \$23,729,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$52,689,000, and the ratio of the UAAL to the covered payroll was 45%. As of June 30, 2010, there were no trust fund assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (continued)

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

As of the July 1, 2009 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 5%. The medical trend rate is reduced .5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the Iowa Public Employees' Retirement System Actuarial Valuation Report as of June 30, 2009.

Projected claim costs of the medical plan are approximately \$830 per month for retirees. The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level dollar amount on an open basis over a period of 30 years.

NOTE 9 RETIREMENT SYSTEM

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the state of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. 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 4.30 percent of their annual salary and the District is required to contribute 6.65 percent of annual payroll. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$3,482,122, \$3,240,456 and \$2,889,881, respectively, equal to the required contributions for each year.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; and natural disasters. These risks, except injuries to employees and claim payments for health and dental insurance, are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District has established an internal service fund to account for premium and claim payments for a self-insured group health insurance plan for the District's employees to meet potential losses from medical claims. Self-insurance is in effect up to an individual stop loss amount of \$100,000 and aggregate amount of 125 percent of expected claims. The District also self-insures for its dental plan. The dental plan includes no aggregate reinsurance.

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 RISK MANAGEMENT (continued)

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs, and other economic and social factors. Changes in the balances of claims payable during the years ended June 30, 2010 and 2009 are as follows:

	Self-Insurance Fund	
	2010	2009
Claims payable, beginning of year	\$ 5,481,138	\$ 3,041,118
Incurred claims (including IBNR)	10,743,065	11,677,980
Claim payments	9,371,760	9,237,960
Claims payable, end of year	<u>\$ 6,852,443</u>	<u>\$ 5,481,138</u>

Each participating fund makes payments to the self-insurance fund for amounts which are determined based on historical claims experience. Such payments are displayed on the financial statements as revenues and expenditures/expenses. There have been no significant reductions in insurance coverage from the prior year.

The District became self insured for its workers' compensation exposures beginning in September 2005. Claims which are due and payable are recorded in the Management Fund, a nonmajor governmental fund. Losses on workers' compensation claims are limited through the purchase of stop-loss insurance to \$250,000 per individual and an aggregate amount of \$1,000,000. Liabilities are reported in the financial statements in accounts payable. Changes in the balances of claims liabilities for the year ended June 30, 2010 are as follows:

	Year ended 2010
Claims payable, beginning of year	\$ 250,000
Incurred claims (including IBNR)	368,560
Claim payments	258,560
Claims payable, end of year	<u>\$ 360,000</u>

NOTE 11 AREA EDUCATION AGENCY

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the local area education agency. The District's actual amount for this purpose totaled \$3,453,536 for the year ended June 30, 2010 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

NOTE 12 CONTINGENCIES

As of June 30, 2010, the District is involved in various claims against the District that arise in the normal course of operations, which are covered by insurance. The outcome and eventual liability of the District, if any, from these claims and any unasserted claims is not known at this time; however, management does not believe they will be material to the basic financial statements.

**West Des Moines Community School District
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 COMMITMENTS

The District has financial commitments relating to remodel/addition construction projects at two elementary, two junior high, one high school and the Districts learning resource center estimated to be approximately \$26,706,000 in total as of June 30, 2010 of which \$17,700,000 of costs had been incurred against the contracts as of June 30, 2010.

NOTE 14 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

As of June 30, 2010, the Governmental Accounting Standards Board (GASB) had issued a statement not yet implemented by the District. The statement which might impact the District is as follows:

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be effective for the District beginning with its year ending June 30, 2011. This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

West Des Moines Community School District
BUDGETARY COMPARISON SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES AND CHANGES IN BALANCES
BUDGET AND ACTUAL—ALL GOVERNMENTAL AND PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
Year ended June 30, 2010

	Governmental Fund Types Actual	Proprietary Fund Type Actual	Total Actual	Budgeted Amounts		Final Budget to Actual Variance Positive (Negative)
				Original	Final	
				REVENUES		
Local sources	\$ 69,939,370	\$5,567,713	\$ 75,507,083	\$ 76,121,807	\$ 76,121,807	\$ (614,724)
State sources	28,003,354	216,243	28,219,597	38,570,451	38,570,451	(10,350,854)
Federal sources	<u>6,877,742</u>	<u>1,256,588</u>	<u>8,134,330</u>	<u>3,050,000</u>	<u>3,050,000</u>	<u>5,084,330</u>
Total revenues	<u>104,820,466</u>	<u>7,040,544</u>	<u>111,861,010</u>	<u>117,742,258</u>	<u>117,742,258</u>	<u>(5,881,248)</u>
EXPENDITURES/EXPENSES						
Instruction	61,925,969	—	61,925,969	63,256,500	63,256,500	1,330,531
Support services	28,046,226	—	28,046,226	31,703,600	31,703,600	3,657,374
Noninstructional programs	470,486	6,774,104	7,244,590	7,770,000	7,770,000	525,410
Other	<u>25,402,917</u>	<u>—</u>	<u>25,402,917</u>	<u>24,043,175</u>	<u>29,843,175</u>	<u>4,440,258</u>
Total expenditures/expenses	<u>115,845,598</u>	<u>6,774,104</u>	<u>122,619,702</u>	<u>126,773,275</u>	<u>132,573,275</u>	<u>9,953,573</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	<u>(11,025,132)</u>	<u>266,440</u>	<u>(10,758,692)</u>	<u>(9,031,017)</u>	<u>(14,831,017)</u>	<u>4,072,325</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	10,874,263	—	10,874,263	8,358,275	8,358,275	2,515,988
Transfers (out)	(10,779,077)	(95,186)	(10,874,263)	(8,358,275)	(8,358,275)	(2,515,988)
Capital notes issued	15,000,000	—	15,000,000	—	—	15,000,000
Proceeds from sale of capital assets	<u>25,029</u>	<u>—</u>	<u>25,029</u>	<u>5,000</u>	<u>5,000</u>	<u>20,029</u>
	<u>15,120,215</u>	<u>(95,186)</u>	<u>15,025,029</u>	<u>5,000</u>	<u>5,000</u>	<u>15,020,029</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,095,083</u>	<u>\$ 171,254</u>	<u>\$ 4,266,337</u>	<u>\$ (9,026,017)</u>	<u>\$ (14,826,017)</u>	<u>\$ 19,092,354</u>

See accompanying note to required supplementary information.

West Des Moines Community School District
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION—BUDGETARY REPORTING
Year ended June 30, 2010

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except internal service and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, noninstructional programs and other expenditures. The legal level of control is at the aggregated functional level, not at the fund or fund type level. During the year, the District adopted one budget amendment increasing budgeted disbursements by \$5,800,000.

During the year ended June 30, 2010, District expenditures did not exceed amounts budgeted or its General Fund unspent authorized budget.

West Des Moines Community School District
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
(In Thousands)

Required Supplementary Information

<u>Year ended June 30</u>	<u>Actuarial valuation date</u>	<u>Actuarial value of assets (a)</u>	<u>Actuarial accrued liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded ratio (a/b)</u>	<u>Covered payroll (c)</u>	<u>UAAL as a percentage of covered payroll ((b - a)/c)</u>
2009	July 1, 2007	<u>\$ —</u>	<u>\$22,912</u>	<u>\$22,912</u>	<u>0.0%</u>	<u>\$50,195</u>	<u>46%</u>
2010	July 1, 2009	<u>\$ —</u>	<u>\$23,729</u>	<u>\$23,729</u>	<u>0.0%</u>	<u>\$52,689</u>	<u>45%</u>

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.



WEST DES MOINES
COMMUNITY
S C H O O L S

**OTHER COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS**

**West Des Moines Community School District
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010**

ASSETS	Special Revenue			Debt Service	Total
	Management	Playground	Student Activity		
Cash, cash equivalents and investments	\$7,035,621	\$ 299,296	\$ 792,118	\$ -	\$ 8,127,035
Receivables					
Property taxes	1,711,325	553,707	-	6,057	2,271,089
Other	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total assets	<u>\$8,747,046</u>	<u>\$ 853,003</u>	<u>\$ 792,118</u>	<u>\$ 6,057</u>	<u>\$10,398,224</u>
 LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 321,840	\$ 11,868	\$ 58,285	\$ -	\$ 391,993
Due to other funds	-	-	-	6,057	6,057
Deferred revenue					
Succeeding year property tax	1,695,014	550,290	-	-	2,245,304
Other	-	-	14,999	-	14,999
Liability for early retirement	<u>1,412,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,412,029</u>
Total liabilities	<u>3,428,883</u>	<u>562,158</u>	<u>73,284</u>	<u>6,057</u>	<u>4,070,382</u>
Fund balances					
Unreserved, undesignated reported in special revenue funds	<u>5,318,163</u>	<u>290,845</u>	<u>718,834</u>	<u>-</u>	<u>6,327,842</u>
Total fund balances	<u>5,318,163</u>	<u>290,845</u>	<u>718,834</u>	<u>-</u>	<u>6,327,842</u>
Total liabilities and fund balances	<u>\$8,747,046</u>	<u>\$ 853,003</u>	<u>\$ 792,118</u>	<u>\$ 6,057</u>	<u>\$10,398,224</u>

See accompanying independent auditor's report.

West Des Moines Community School District
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2010

	<u>Special Revenue</u>			<u>Debt Service</u>	<u>Total</u>
	<u>Management</u>	<u>Playground</u>	<u>Student Activity</u>		
REVENUES					
Property taxes and other local sources					
Property taxes	\$2,395,182	\$ 524,117	\$ -	\$ 915,324	\$ 3,834,623
Utility replacement	41,763	9,150	-	14,863	65,776
Other local sources	70,547	167	219,865	263	290,842
Investment earnings	44,205	3,125	6,098	4,858	58,286
Student activities	-	-	1,636,495	-	1,636,495
State sources					
Other state sources	<u>592</u>	<u>130</u>	<u>-</u>	<u>220</u>	<u>942</u>
Total revenues	<u>2,552,289</u>	<u>536,689</u>	<u>1,862,458</u>	<u>935,528</u>	<u>5,886,964</u>
EXPENDITURES					
Current					
Instruction	426,078	15,799	1,811,789	-	2,253,666
Support services					
General administration	925,921	31,970	-	-	957,891
Business administration	-	25,818	30,197	-	56,015
Plant operation and maintenance	1,363,295	-	23	-	1,363,318
Instructional staff support services	-	40	340	-	380
Noninstructional programs	-	470,486	-	-	470,486
Other	-	2,610	348	300	3,258
Capital outlay	-	200,000	35,590	-	235,590
Debt service					
Principal	-	-	-	6,530,000	6,530,000
Interest	-	-	-	291,600	291,600
Total expenditures	<u>2,715,294</u>	<u>746,723</u>	<u>1,878,287</u>	<u>6,821,900</u>	<u>12,162,204</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(163,005)</u>	<u>(210,034)</u>	<u>(15,829)</u>	<u>(5,886,372)</u>	<u>(6,275,240)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	75,564	5,587,275	5,662,839
Transfers (out)	<u>(5,800)</u>	<u>(18,000)</u>	<u>-</u>	<u>(67,608)</u>	<u>(91,408)</u>
Total other financing sources (uses)	<u>(5,800)</u>	<u>(18,000)</u>	<u>75,564</u>	<u>5,519,667</u>	<u>5,571,431</u>
Net change in fund balances	<u>(168,805)</u>	<u>(228,034)</u>	<u>59,735</u>	<u>(366,705)</u>	<u>(703,809)</u>
FUND BALANCES, beginning of year	<u>5,486,968</u>	<u>518,879</u>	<u>659,099</u>	<u>366,705</u>	<u>7,031,651</u>
FUND BALANCES, end of year	<u>\$5,318,163</u>	<u>\$ 290,845</u>	<u>\$ 718,834</u>	<u>\$ -</u>	<u>\$ 6,327,842</u>

See accompanying independent auditor's report.

West Des Moines Community School District
COMBINING STATEMENT OF NET ASSETS (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
June 30, 2010

ASSETS	School Nutrition	Community Education	Preschool Regular Education	Student Construction	Total
Current assets					
Cash, cash equivalents and investments	\$ 526,866	\$1,451,189	\$ -	\$ -	\$1,978,055
Other receivables	6,251	-	-	-	6,251
Due from other governments	48,277	-	5,024	-	53,301
Due from other funds	-	456,355	-	18,082	474,437
Assets held for resale	-	-	-	383,500	383,500
Inventories	<u>71,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,732</u>
Total current assets	<u>653,126</u>	<u>1,907,544</u>	<u>5,024</u>	<u>401,582</u>	<u>2,967,276</u>
Noncurrent assets, capital assets					
Land	-	15,000	-	-	15,000
Machinery and equipment	2,433,245	-	-	-	2,433,245
Less accumulated depreciation	<u>(1,710,869)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,710,869)</u>
Total noncurrent assets	<u>722,376</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>737,376</u>
Total assets	<u>\$1,375,502</u>	<u>\$1,922,544</u>	<u>\$ 5,024</u>	<u>\$ 401,582</u>	<u>\$3,704,652</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 50,354	\$ 35,940	\$ 107	\$ 10	\$ 86,411
Due to other funds	-	-	7,807	448,548	456,355
Unearned revenue	76,973	-	-	-	76,973
Long-term liabilities					
Net OPEB liability	<u>112,327</u>	<u>74,493</u>	<u>9,110</u>	<u>-</u>	<u>195,930</u>
Total liabilities	<u>239,654</u>	<u>110,433</u>	<u>17,024</u>	<u>448,558</u>	<u>815,669</u>
NET ASSETS					
Invested in capital assets	722,376	15,000	-	-	737,376
Unrestricted	<u>413,472</u>	<u>1,797,111</u>	<u>(12,000)</u>	<u>(46,976)</u>	<u>2,151,607</u>
Total net assets (deficit)	<u>\$1,135,848</u>	<u>\$1,812,111</u>	<u>\$ (12,000)</u>	<u>\$ (46,976)</u>	<u>\$2,888,983</u>

See accompanying independent auditor's report.

West Des Moines Community School District
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
Year ended June 30, 2010

	<u>School Nutrition</u>	<u>Community Education</u>	<u>Preschool Regular Education</u>	<u>Student Construction</u>	<u>Total</u>
OPERATING REVENUES					
Food sales	\$2,763,619	\$ -	\$ -	\$ -	\$2,763,619
Sale of services	<u>-</u>	<u>2,618,972</u>	<u>-</u>	<u>-</u>	<u>2,618,972</u>
Total operating revenues	<u>2,763,619</u>	<u>2,618,972</u>	<u>-</u>	<u>-</u>	<u>5,382,591</u>
OPERATING EXPENSES					
Salaries	1,396,152	1,369,447	78,575	-	2,844,174
Employee benefits	694,711	512,300	54,517	-	1,261,528
Purchased services	131,823	138,202	69,762	-	339,787
Food consumed	1,643,452	-	-	-	1,643,452
Supplies	74,928	345,745	9,242	-	429,915
Depreciation	119,425	-	-	-	119,425
Other	<u>74,365</u>	<u>3,081</u>	<u>1,440</u>	<u>56,937</u>	<u>135,823</u>
Total operating expenses	<u>4,134,856</u>	<u>2,368,775</u>	<u>213,536</u>	<u>56,937</u>	<u>6,774,104</u>
Operating income (loss)	<u>(1,371,237)</u>	<u>250,197</u>	<u>(213,536)</u>	<u>(56,937)</u>	<u>(1,391,513)</u>
NONOPERATING REVENUES					
Federal food commodities	258,957	-	-	-	258,957
Federal appropriations	997,631	-	-	-	997,631
State appropriations	29,336	-	186,907	-	216,243
Interest	2,722	11,530	-	-	14,252
Other	<u>170,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,870</u>
Total nonoperating revenues	<u>1,459,516</u>	<u>11,530</u>	<u>186,907</u>	<u>-</u>	<u>1,657,953</u>
Income (loss) before transfers	<u>88,279</u>	<u>261,727</u>	<u>(26,629)</u>	<u>(56,937)</u>	<u>266,440</u>
Transfers (out)	<u>-</u>	<u>(95,186)</u>	<u>-</u>	<u>-</u>	<u>(95,186)</u>
CHANGES IN NET ASSETS	88,279	166,541	(26,629)	(56,937)	171,254
NET ASSETS , beginning of year	<u>1,047,569</u>	<u>1,645,570</u>	<u>14,629</u>	<u>9,961</u>	<u>2,717,729</u>
NET ASSETS (DEFICIT) , end of year	<u>\$1,135,848</u>	<u>\$1,812,111</u>	<u>\$ (12,000)</u>	<u>\$ (46,976)</u>	<u>\$2,888,983</u>

See accompanying independent auditor's report.

West Des Moines Community School District
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year ended June 30, 2010

	<u>School Nutrition</u>	<u>Community Education</u>	<u>Preschool Regular Education</u>	<u>Student Construction</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$3,033,537	\$2,618,972	\$ —	\$ —	\$5,652,509
Payments to suppliers	(1,836,707)	(504,587)	(56,883)	4,267	(2,393,910)
Payments to employees	(2,028,339)	(1,840,282)	(128,021)	—	(3,996,642)
Other payments	<u>(74,365)</u>	<u>(3,081)</u>	<u>(1,440)</u>	<u>(56,937)</u>	<u>(135,823)</u>
Net cash provided by (used in) operating activities	<u>(905,874)</u>	<u>271,022</u>	<u>(186,344)</u>	<u>(52,670)</u>	<u>(873,866)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Federal and state appropriations received	1,026,967	—	186,907	—	1,213,874
Receipts from (payments to) interfund accounts	4,910	(70,189)	(563)	52,670	(13,172)
Transfers (out)	—	(95,186)	—	—	(95,186)
Other, local donations and grants	<u>170,870</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>170,870</u>
Net cash provided by (used in) noncapital financing activities	<u>1,202,747</u>	<u>(165,375)</u>	<u>186,344</u>	<u>52,670</u>	<u>1,276,386</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	<u>(207,470)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(207,470)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	<u>2,722</u>	<u>11,530</u>	<u>—</u>	<u>—</u>	<u>14,252</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,125	117,177	—	—	209,302
CASH AND CASH EQUIVALENTS					
Beginning of year	<u>434,741</u>	<u>1,334,012</u>	<u>—</u>	<u>—</u>	<u>1,768,753</u>
End of year	<u>\$ 526,866</u>	<u>\$1,451,189</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,978,055</u>

See accompanying independent auditor's report.

West Des Moines Community School District
COMBINING STATEMENT OF CASH FLOWS (continued)
NONMAJOR ENTERPRISE FUNDS
Year ended June 30, 2010

	<u>School Nutrition</u>	<u>Community Education</u>	<u>Preschool Regular Education</u>	<u>Student Construction</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$(1,371,237)	\$ 250,197	\$ (213,536)	\$ (56,937)	\$(1,391,513)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	119,425	-	-	-	119,425
Federal food commodities used	258,957	-	-	-	258,957
Change in assets and liabilities					
Receivables	16,550	-	21,859	-	38,409
Assets held for resale	-	-	-	7,543	7,543
Inventories	26,122	-	-	-	26,122
Prepaid expenses	989	8,736	619	-	10,344
Accounts payable	(13,615)	(29,376)	(357)	(3,276)	(46,624)
Unearned revenue	(5,589)	-	-	-	(5,589)
Net OPEB liability	<u>62,524</u>	<u>41,465</u>	<u>5,071</u>	<u>-</u>	<u>109,060</u>
Net cash provided by (used in) operating activities	<u>\$ (905,874)</u>	<u>\$ 271,022</u>	<u>\$ (186,344)</u>	<u>\$ (52,670)</u>	<u>\$ (873,866)</u>
SCHEDULE OF NONCASH ITEMS					
Capital and related financing activities, federal food commodities received	<u>\$ 258,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,957</u>

See accompanying independent auditor's report.

West Des Moines Community School District
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year ended June 30, 2010

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Flower Fund				
Assets, cash, cash equivalents, and investments	\$ <u>2,269</u>	\$ <u>—</u>	\$ <u>589</u>	\$ <u>1,680</u>
Liabilities, due to private individuals	\$ <u>2,269</u>	\$ <u>—</u>	\$ <u>589</u>	\$ <u>1,680</u>

See accompanying independent auditor's report.

**West Des Moines Community School District
STATISTICAL SECTION
CONTENTS**

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

CONTENTS	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	54-67
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	68-74
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	75-83
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	84-87
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	88-92

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The District implemented GASB 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

West Des Moines Community School District
NET ASSETS BY COMPONENT
Last Seven Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
GOVERNMENTAL ACTIVITIES				
Invested in capital assets, net of related debt	\$133,613,854	\$139,058,201	\$119,538,177	\$111,318,597
Restricted	21,353,146	15,883,427	17,078,354	14,597,752
Unrestricted	<u>8,590,265</u>	<u>2,173,420</u>	<u>10,302,534</u>	<u>11,246,550</u>
Total governmental activities net assets	<u>\$163,557,265</u>	<u>\$157,115,048</u>	<u>\$146,919,065</u>	<u>\$137,162,899</u>
BUSINESS-TYPE ACTIVITIES				
Invested in capital assets, net of related debt	\$ 737,376	\$ 654,241	\$ 770,344	\$ 736,682
Unrestricted	<u>2,298,336</u>	<u>2,127,643</u>	<u>2,080,283</u>	<u>2,032,412</u>
Total business-type activities net assets	<u>\$ 3,035,712</u>	<u>\$ 2,781,884</u>	<u>\$ 2,850,627</u>	<u>\$ 2,769,094</u>
PRIMARY GOVERNMENT				
Invested in capital assets, net of related debt	\$134,351,230	\$139,712,442	\$120,308,521	\$112,055,279
Restricted	21,353,146	15,883,427	17,078,354	14,597,752
Unrestricted	<u>10,888,601</u>	<u>4,301,063</u>	<u>12,382,817</u>	<u>13,278,962</u>
Total primary government net assets	<u>\$166,592,977</u>	<u>\$159,896,932</u>	<u>\$149,769,692</u>	<u>\$139,931,993</u>

*The District began to report accrual information when it implemented GASB Statement No. 34 in 2003.

Fiscal Year		
<u>2006</u>	<u>2005</u>	<u>2004</u>
\$102,257,687	\$ 75,240,934	\$ 55,015,332
12,250,659	27,986,161	37,722,387
<u>7,586,863</u>	<u>8,938,394</u>	<u>8,627,536</u>
<u>\$122,095,209</u>	<u>\$112,165,489</u>	<u>\$101,365,255</u>
\$ 899,710	\$ 967,914	\$ 1,029,808
<u>1,727,417</u>	<u>1,470,852</u>	<u>1,349,236</u>
<u>\$ 2,627,127</u>	<u>\$ 2,438,766</u>	<u>\$ 2,379,044</u>
\$103,157,397	\$ 76,208,848	\$ 56,045,140
12,250,659	27,986,161	37,722,387
<u>9,314,280</u>	<u>10,409,246</u>	<u>9,976,772</u>
<u>\$124,722,336</u>	<u>\$114,604,255</u>	<u>\$103,744,299</u>

West Des Moines Community School District
EXPENSES, PROGRAM REVENUES AND NET (EXPENSE) REVENUE
Last Seven Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
EXPENSES				
Governmental activities				
Instruction	\$ 66,474,308	\$ 64,340,540	\$59,878,678	\$51,159,998
Support services	29,193,099	28,852,848	28,015,793	28,042,111
Noninstructional programs	434,290	452,155	422,971	414,066
Other	3,456,794	3,155,688	2,967,752	2,328,250
Interest on long-term debt	<u>265,043</u>	<u>545,910</u>	<u>798,397</u>	<u>1,034,964</u>
Total governmental activities expenses	<u>99,823,534</u>	<u>97,347,141</u>	<u>92,083,591</u>	<u>82,979,389</u>
Business-type activities				
Nutrition	4,134,856	4,139,227	3,837,138	3,795,831
Community education	2,368,775	2,641,371	2,279,690	2,296,115
Preschool Regular Education	213,536	210,280	194,719	192,271
Student Construction	<u>56,937</u>	<u>80,000</u>	-	-
Total business-type activities expenses	<u>6,774,104</u>	<u>7,070,878</u>	<u>6,311,547</u>	<u>6,284,217</u>
Total primary government expenses	<u>\$106,597,638</u>	<u>\$104,418,019</u>	<u>\$98,395,138</u>	<u>\$89,263,606</u>
PROGRAM REVENUES				
Governmental activities				
Charges for services				
Instruction	\$ 6,031,974	\$ 5,910,224	\$ 4,707,977	\$ 4,377,162
Support services	-	-	-	-
Noninstructional programs	-	-	-	-
Operating grants and contributions	<u>16,109,619</u>	<u>12,116,212</u>	<u>9,853,839</u>	<u>8,494,738</u>
Total governmental activities program revenues	<u>22,141,593</u>	<u>18,026,436</u>	<u>14,561,816</u>	<u>12,871,900</u>
Business-type activities				
Charges for services				
Nutrition	2,763,619	2,761,252	2,581,637	2,493,675
Community Education	2,618,972	2,918,819	2,538,740	2,620,447
Preschool Regular Education	-	-	-	-
Student Construction	-	-	-	63,688
Operating grants and contributions	<u>1,472,831</u>	<u>1,355,728</u>	<u>1,150,607</u>	<u>1,111,885</u>
Total business-type program revenues	<u>6,855,422</u>	<u>7,035,799</u>	<u>6,270,984</u>	<u>6,289,695</u>
Total primary government program revenues	<u>\$ 28,997,015</u>	<u>\$ 25,062,235</u>	<u>\$20,832,800</u>	<u>\$19,161,595</u>
NET (EXPENSE) REVENUE				
Governmental activities	\$ (77,681,941)	\$ (79,320,705)	\$(77,521,775)	\$(70,107,489)
Business-type activities	<u>81,318</u>	<u>(35,079)</u>	<u>(40,563)</u>	<u>5,478</u>
Total primary government net expense	<u>\$ (77,600,623)</u>	<u>\$ (79,355,784)</u>	<u>\$(77,562,338)</u>	<u>\$(70,102,011)</u>

*The District began to report accrual information when it implemented GASB Statement No. 34 in 2003.

Fiscal Year		
<u>2006</u>	<u>2005</u>	<u>2004</u>
\$48,369,475	\$45,983,491	\$43,091,363
23,988,291	24,052,185	23,293,867
429,508	470,095	452,045
8,166,432	4,364,405	7,548,005
<u>1,308,279</u>	<u>1,594,395</u>	<u>1,905,422</u>
<u>82,261,985</u>	<u>76,464,571</u>	<u>76,290,702</u>
3,360,467	3,237,532	2,875,927
2,187,360	2,184,190	2,138,390
106,262	-	-
4,336	-	-
<u>5,658,425</u>	<u>5,421,722</u>	<u>5,014,317</u>
<u>\$87,920,410</u>	<u>\$81,886,293</u>	<u>\$81,305,019</u>
\$ 4,600,966	\$ 4,041,145	\$ 4,041,320
499,453	288,278	186,330
-	16,021	31,651
<u>7,133,032</u>	<u>6,213,846</u>	<u>6,022,542</u>
<u>12,233,451</u>	<u>10,559,290</u>	<u>10,281,843</u>
2,423,275	2,311,625	2,219,080
2,410,950	2,256,705	2,149,003
1,560	-	-
130,464	-	-
<u>895,014</u>	<u>905,224</u>	<u>834,558</u>
<u>5,861,263</u>	<u>5,473,554</u>	<u>5,202,641</u>
<u>\$18,094,714</u>	<u>\$16,032,844</u>	<u>\$15,484,484</u>
\$(70,028,534)	\$(65,905,281)	\$(66,008,859)
<u>202,838</u>	<u>51,832</u>	<u>188,324</u>
<u>\$(69,825,696)</u>	<u>\$(65,853,449)</u>	<u>\$(65,820,535)</u>

West Des Moines Community School District
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
Last Seven Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2010	2009	2008	2007
NET (EXPENSE) REVENUE				
Governmental activities	\$(77,681,941)	\$(79,320,705)	\$(77,521,775)	\$(70,107,489)
Business-type activities	81,318	(35,079)	(40,563)	5,478
Total primary government net expense	<u>(77,600,623)</u>	<u>(79,355,784)</u>	<u>(77,562,338)</u>	<u>(70,102,011)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities				
General revenues				
Taxes				
Property taxes	53,550,085	51,501,548	49,505,540	47,730,903
Statewide sales and services tax	8,485,639	8,818,452	8,598,401	8,908,267
Utility replacement tax	923,850	911,443	892,235	925,977
Other local sources	1,800,349	2,152,257	1,679,757	1,556,956
State foundation aid, unrestricted	18,771,477	25,330,713	24,999,763	24,031,009
Other state sources, unrestricted	-	-	-	-
Investment earnings	497,572	665,647	1,596,395	1,904,767
Gain on disposal of capital assets	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	95,186	136,628	5,850	117,300
Total governmental activities	<u>84,124,158</u>	<u>89,516,688</u>	<u>87,277,941</u>	<u>85,175,179</u>
Business-type activities				
Other local sources	253,444	79,290	57,802	96,686
Investment earnings	14,252	23,674	70,144	94,273
Miscellaneous	-	-	-	62,830
Transfers	(95,186)	(136,628)	(5,850)	(117,300)
Total business-type activities	<u>172,510</u>	<u>(33,664)</u>	<u>122,096</u>	<u>136,489</u>
Total primary government	<u>84,296,668</u>	<u>89,483,024</u>	<u>87,400,037</u>	<u>85,311,668</u>
CHANGE IN NET ASSETS				
Governmental activities	6,442,217	10,195,983	9,756,166	15,067,690
Business-type activities	253,828	(68,743)	81,533	141,967
Total primary government	<u>\$ 6,696,045</u>	<u>\$10,127,240</u>	<u>\$ 9,837,699</u>	<u>\$15,209,657</u>

*The District began to report accrual information when it implemented GASB Statement No. 34 in 2003.

Fiscal Year		
<u>2006</u>	<u>2005</u>	<u>2004</u>
\$(70,028,534)	\$(65,905,281)	\$(66,008,859)
<u>202,838</u>	<u>51,832</u>	<u>188,324</u>
<u>(69,825,696)</u>	<u>(65,853,449)</u>	<u>(65,820,535)</u>
44,492,182	43,601,307	41,802,072
8,914,205	7,637,458	8,434,634
905,019	936,159	971,146
283,958	419,132	349,931
22,933,675	22,296,608	21,797,665
176,026	186,105	228,087
1,739,251	1,447,612	(1,624,664)
-	3,861	-
403,213	114,004	303,438
<u>110,725</u>	<u>63,269</u>	<u>131,613</u>
<u>79,958,254</u>	<u>76,705,515</u>	<u>72,393,922</u>
-	-	-
65,682	17,225	12,008
30,566	53,934	34,797
<u>(110,725)</u>	<u>(63,269)</u>	<u>(131,613)</u>
<u>(14,477)</u>	<u>7,890</u>	<u>(84,808)</u>
<u>79,943,777</u>	<u>76,713,405</u>	<u>72,309,114</u>
9,929,720	10,800,234	6,385,063
<u>188,361</u>	<u>59,722</u>	<u>103,516</u>
<u>\$10,118,081</u>	<u>\$10,859,956</u>	<u>\$ 6,488,579</u>

West Des Moines Community School District
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2010	2009	2008	2007
GENERAL FUND				
Reserved	\$ 47,441	\$ 63,571	\$ 55,967	\$ 67,672
Unreserved	<u>10,132,152</u>	<u>11,550,393</u>	<u>13,059,705</u>	<u>12,703,283</u>
Total general fund	<u>\$10,179,593</u>	<u>\$11,613,964</u>	<u>\$13,115,672</u>	<u>\$12,770,955</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ -	\$ 366,705	\$ 361,696	\$ 333,516
Unreserved, reported in				
Special revenue funds	21,863,694	9,416,232	6,977,125	6,613,390
Capital projects funds	<u>208,286</u>	<u>6,759,589</u>	<u>10,414,806</u>	<u>8,362,370</u>
Total all other governmental funds	<u>\$22,071,980</u>	<u>\$16,542,526</u>	<u>\$17,753,627</u>	<u>\$15,309,276</u>

Fiscal Year					
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 137,097	\$ 117,051	\$ 113,191	\$ 161,580	\$ 165,941	\$ 317,946
<u>9,565,091</u>	<u>8,558,691</u>	<u>7,591,840</u>	<u>6,156,164</u>	<u>8,523,397</u>	<u>11,343,206</u>
<u>\$ 9,702,188</u>	<u>\$ 8,675,742</u>	<u>\$ 7,705,031</u>	<u>\$ 6,317,744</u>	<u>\$ 8,689,338</u>	<u>\$11,661,152</u>
\$ 641,614	\$ 752,209	\$ 1,430,176	\$ 612,193	\$ 434,718	\$ 461,432
4,847,589	6,328,716	6,717,845	8,027,687	6,520,439	4,351,592
<u>7,674,328</u>	<u>22,400,342</u>	<u>31,256,681</u>	<u>43,387,674</u>	<u>46,031,835</u>	<u>6,379,300</u>
<u>\$13,163,531</u>	<u>\$29,481,267</u>	<u>\$39,404,702</u>	<u>\$52,027,554</u>	<u>\$52,986,992</u>	<u>\$11,192,324</u>

West Des Moines Community School District
GOVERNMENTAL FUNDS REVENUES
Last Ten Fiscal Years*
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
LOCAL SOURCES				
Property taxes	\$ 53,550,085	\$ 51,501,548	\$ 49,505,540	\$47,730,903
Statewide sales and services tax	7,138,043	8,818,452	8,598,401	8,908,267
Utility replacement	923,850	911,443	892,235	925,977
Other local sources	1,935,318	2,304,699	1,931,651	1,875,703
Investment earnings (loss)	497,572	665,647	1,596,395	1,904,767
Student activities	<u>5,894,502</u>	<u>5,765,422</u>	<u>4,549,495</u>	<u>4,377,162</u>
Total local sources	<u>69,939,370</u>	<u>69,967,211</u>	<u>67,073,717</u>	<u>65,722,779</u>
STATE SOURCES				
State foundation aid	22,225,013	28,485,951	27,966,365	24,031,009
Other state sources	<u>5,778,341</u>	<u>5,956,369</u>	<u>4,779,621</u>	<u>7,210,660</u>
Total state sources	<u>28,003,354</u>	<u>34,442,320</u>	<u>32,745,986</u>	<u>31,241,669</u>
FEDERAL SOURCES	<u>6,877,742</u>	<u>3,004,605</u>	<u>2,107,616</u>	<u>1,684,078</u>
Total revenues	<u>\$104,820,466</u>	<u>\$107,414,136</u>	<u>\$101,927,319</u>	<u>\$98,648,526</u>

*Revenue from local and state sources were not broken down into detail prior to fiscal year 2003. Therefore, only the total is shown for these sources.

Fiscal Year					
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$44,492,182	\$43,601,307	\$41,802,072	\$40,093,237	*	*
8,924,205	7,587,458	8,123,534	8,052,881	*	*
905,019	936,159	971,146	910,625	*	*
3,929,720	2,887,930	3,102,763	3,294,121	*	*
1,739,251	1,447,612	(1,624,664)	2,964,898	*	*
<u>1,174,136</u>	<u>1,469,563</u>	<u>1,362,072</u>	<u>1,304,348</u>	*	*
<u>61,164,513</u>	<u>57,930,029</u>	<u>53,736,923</u>	<u>56,620,110</u>	<u>51,655,306</u>	<u>51,326,526</u>
22,933,675	22,296,608	21,797,665	21,512,521	*	*
<u>5,489,229</u>	<u>4,945,757</u>	<u>5,152,155</u>	<u>5,217,758</u>	*	*
<u>28,422,904</u>	<u>27,242,365</u>	<u>26,949,820</u>	<u>26,730,279</u>	<u>25,241,325</u>	<u>24,511,098</u>
<u>1,845,064</u>	<u>1,475,194</u>	<u>1,222,186</u>	<u>993,586</u>	<u>724,754</u>	<u>669,283</u>
<u>\$91,432,481</u>	<u>\$86,647,588</u>	<u>\$81,908,929</u>	<u>\$84,343,975</u>	<u>\$77,621,385</u>	<u>\$76,506,907</u>

West Des Moines Community School District
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
Last Ten Fiscal Years*
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2010	2009	2008	2007
INSTRUCTION	\$ 61,925,969	\$ 59,824,159	\$54,594,512	\$49,132,719
SUPPORT SERVICES				
Student support services	2,894,430	2,914,955	2,696,984	2,540,872
Instructional staff support services	4,081,780	3,819,415	4,248,509	3,730,666
General administration	1,748,749	1,656,342	1,843,941	2,902,980
School/building administration	4,391,135	4,321,535	3,962,645	3,896,851
Business administration	3,599,677	3,033,593	2,832,788	2,669,207
Plant operation and maintenance	7,862,209	8,591,118	8,008,586	8,453,862
Student transportation	3,468,246	3,641,335	3,152,857	3,131,766
Central support	-	-	-	-
NONINSTRUCTIONAL PROGRAMS	470,486	455,637	407,431	417,925
OTHER	3,456,794	3,155,688	2,967,752	2,122,629
CAPITAL OUTLAY	15,124,523	12,018,829	7,605,646	8,568,049
DEBT SERVICE				
Principal	6,530,000	6,275,000	6,010,000	5,960,000
Interest	291,600	571,713	821,688	1,057,038
Bond issuance costs	-	-	-	-
Total expenditures	<u>\$115,845,598</u>	<u>\$110,279,319</u>	<u>\$99,153,339</u>	<u>\$94,584,564</u>
Debt service as a percentage of noncapital expenditures	6.8%	7.0%	7.5%	8.2%

*Support service expenditures were not broken down into further functional detail for these years. Therefore, only total support services are shown.

Fiscal Year					
2006	2005	2004	2003	2002	2001
\$ 46,207,978	\$44,885,629	\$42,344,118	\$41,769,792	\$38,346,741	\$35,557,439
				18,562,222	17,194,642
2,244,901	2,216,145	2,137,215	1,938,149	*	*
2,757,027	2,467,936	2,373,555	2,350,940	*	*
881,007	1,313,866	1,240,684	1,201,606	*	*
3,778,110	3,485,597	3,372,496	3,307,547	*	*
2,901,380	2,777,644	2,452,600	2,222,219	*	*
7,569,820	6,547,932	5,948,868	5,745,895	*	*
2,768,778	2,340,252	2,306,540	2,098,647	*	*
—	—	177,745	109,624	*	*
406,229	458,630	450,142	440,522	456,789	398,558
6,297,320	5,400,981	5,242,969	3,496,847	3,822,304	3,694,571
23,785,848	16,437,967	14,640,439	11,413,868	9,124,540	4,228,406
5,950,000	5,735,000	8,675,000	9,185,000	4,955,000	4,864,606
1,348,867	1,599,863	1,933,200	2,528,089	985,363	1,184,571
32,275	—	—	—	—	—
<u>106,929,540</u>	<u>\$95,667,442</u>	<u>\$93,295,571</u>	<u>\$87,808,745</u>	<u>\$76,252,959</u>	<u>\$67,122,793</u>
8.8%	9.3%	13.5%	15.3%	8.8%	9.6%

West Des Moines Community School District
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2010	2009	2008	2007
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(11,025,132)	\$ (2,865,183)	\$ 2,773,980	\$ 4,063,962
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	25,029	15,746	9,238	1,033,250
Transfers in	10,874,263	9,703,929	9,689,101	9,920,174
Transfers out	(10,779,077)	(9,567,301)	(9,683,251)	(9,802,874)
Proceeds from capital loan notes	15,000,000	-	-	-
Premiums on bonds	-	-	-	-
Proceeds from revenue bonds	-	-	-	-
Proceeds from general obligation bonds	-	-	-	-
Payments to escrow agent to refund bonds	-	-	-	-
Total other financing sources	<u>15,120,215</u>	<u>152,374</u>	<u>15,088</u>	<u>1,150,550</u>
Net change in fund balances	<u>\$ 4,095,083</u>	<u>\$ (2,712,809)</u>	<u>\$ 2,789,068</u>	<u>\$ 5,214,512</u>

Fiscal Year					
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$(15,497,059)	\$(9,019,854)	\$(11,386,642)	\$(3,464,770)	\$ 1,368,426	\$9,384,114
12,310	3,861	19,464	-	-	-
9,197,860	8,505,533	5,920,704	6,465,902	86,000	883,759
(9,087,135)	(8,442,264)	(5,789,091)	(6,391,977)	-	(828,759)
-	-	-	-	-	-
42,734	-	-	-	-	-
-	-	-	-	37,940,493	-
6,025,000	-	-	-	-	-
<u>(5,985,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>205,769</u>	<u>67,130</u>	<u>151,077</u>	<u>73,925</u>	<u>38,026,493</u>	<u>55,000</u>
\$(15,291,290)	\$(8,952,724)	\$(11,235,565)	\$(3,390,845)	\$39,394,919	\$9,439,114



WEST DES MOINES
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West Des Moines Community School District
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Actual Value				Total Actual Value	Total Taxable Value	Total Direct Rate
	Real Property	Personal Property	Railroad and Utilities Without Gas & Electric	Gas & Electric			
2010	6,054,875,121	—	17,067,588	68,453,109	6,140,395,818	3,896,794,378	13.64410
2009	5,917,712,535	—	16,985,989	67,996,345	6,002,694,869	3,727,115,928	13.69179
2008	5,619,764,780	—	16,896,120	87,446,791	5,724,107,691	3,644,466,820	13.70031
2007	5,458,058,380	—	19,524,282	80,623,359	5,558,206,021	3,520,173,049	13.70060
2006	5,019,942,550	—	19,142,992	74,676,868	5,113,762,410	3,336,798,349	13.50341
2005	4,897,654,080	—	18,035,054	71,019,452	4,986,708,586	3,254,873,265	13.50200
2004	4,440,819,943	—	21,090,380	72,673,765	4,534,584,088	3,095,545,757	13.50422
2003	4,307,206,614	3,332,935	21,335,163	72,423,205	4,404,297,917	2,954,384,680	13.50200
2002	3,987,358,028	5,862,868	19,452,921	72,828,704	4,085,502,521	2,925,201,385	13.48681
2001	3,906,981,268	9,378,569	16,998,749	73,135,511	4,006,494,097	2,844,945,014	13.49887

Note: The assessed values are determined as of January 1, of the prior fiscal year indicated. These assessed values are used to calculate the taxable values for the second budget following assessment date. For example the total assessed value of \$5,113,767,410 from January 1, 2006 is used for the taxable values for fiscal year 2008.

Gas and electric is not subject to property tax, but instead pay utility replacement taxes.

Source: Polk County Auditor.

**West Des Moines Community School District
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)
(Unaudited)**

Fiscal Year Ended June 30	District Direct Rates				Overlapping Rates			
	General Purposes	Capital Purposes	Debt Service	Total	County	City of Clive	City of Urbandale	City of West Des Moines
2010	11.61960	1.80500	0.21950	13.64410	10.54212	9.53764	9.22000	12.05000
2009	11.58672	1.80500	0.30007	13.69179	10.69268	9.53762	9.22000	12.05000
2008	11.58739	1.80500	0.30792	13.70031	10.16618	9.53783	9.22000	12.04990
2007	11.53627	1.80500	0.35933	13.70060	10.17911	9.24927	9.07393	11.95000
2006	11.32466	1.80500	0.37375	13.50341	9.94718	9.11072	9.07010	11.72540
2005	11.23663	1.80500	0.46037	13.50200	9.96860	8.92714	9.07306	11.72777
2004	10.24171	1.80500	1.45751	13.50422	9.76626	8.92149	9.07000	11.60206
2003	9.89601	1.80500	1.80099	13.50200	9.72617	8.96811	8.97000	11.60003
2002	9.80256	1.80500	1.87925	13.48681	9.54454	8.45211	8.96096	10.90002
2001	10.62980	1.13499	1.73408	13.49887	9.25871	7.91104	8.97000	10.90000

Source: Polk County Auditor.

Overlapping Rates

<u>City of Windsor Heights</u>	<u>Area XI Comm. College</u>	<u>Special Rates for City of:</u>			
		<u>Clive</u>	<u>Urbandale</u>	<u>West Des Moines</u>	<u>Windsor Heights</u>
13.76398	0.56778	0.00000	0.33537	0.24131	0.24131
14.79484	0.56386	0.00000	0.33994	0.16550	0.16550
12.40322	0.60276	0.00000	0.35918	0.16848	0.16848
12.21843	0.68688	0.00000	0.38507	0.16805	0.16805
12.62896	0.68048	0.00000	0.40073	0.17530	0.17530
12.62510	0.59856	0.08701	0.41222	0.08701	0.08701
12.35119	0.58184	0.04365	0.42528	0.04365	0.04365
11.58837	0.54584	0.03742	0.41734	0.03742	0.03742
11.02530	0.54454	0.06012	0.06012	0.06012	0.06012
10.92057	0.54506	0.05743	0.05743	0.05743	0.05743

**West Des Moines Community School District
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)**

<u>Taxpayer</u>	<u>2010</u>			<u>2000</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Value</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Value</u>
Valley West DM	\$ 70,218,000	1	1.80%	\$ 90,856,000	1	3.11%
Mid-America Investment Company	60,327,500	2	1.55	46,122,640	2	1.58
IFBF Property Management	45,599,700	3	1.17	35,804,100	3	1.22
West Glen I LLC	37,741,100	4	.97	-	-	-
1776 West Lakes Parkway LC	32,023,000	5	.82	-	-	-
Water Tower Place Shopping Center LC	28,776,100	6	.74	-	-	-
Colby West Trust	26,646,500	7	.68	21,071,820	6	.72
Hy-Vee Food Store, Inc.	25,308,300	8	.65	18,814,500	7	.64
William C. Knapp LC	23,924,740	9	.61	29,096,500	4	.99
Deerfield Retirement Community, Inc.	20,516,550	10	.53	-	-	-
CMS Wellington Apartments	-	-	-	22,338,000	5	.76
Guideone Services, Inc.	-	-	-	17,445,600	8	.60
Twenty-Three Hundred Ltd.	-	-	-	17,300,400	9	.59
Carpenter Investments	-	-	-	<u>16,577,000</u>	10	<u>.57</u>
Total	<u>\$ 371,081,490</u>		<u>9.52%</u>	<u>\$ 315,426,560</u>		<u>10.78%</u>
Total taxable value	<u>\$3,896,794,378</u>			<u>\$2,925,201,385</u>		

Source: Polk County Auditor.

**West Des Moines Community School District
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections In Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2010	\$54,596,491	\$53,550,085	98.08%	\$ 4,796	\$53,554,881	98.09%
2009	52,585,141	52,443,349	99.73	85	52,443,434	99.73
2008	50,488,661	50,397,775	99.82	19,186	50,416,961	99.86
2007	48,962,346	48,627,453	99.31	29,427	48,656,880	99.37
2006	44,670,240	44,537,466	99.70	4,797	44,542,263	99.91
2005	42,819,960	42,773,220	99.89	3,399	42,776,619	99.90
2004	41,078,919	41,003,862	99.82	7,731	41,011,593	99.84
2003	40,283,254	40,083,520	99.50	49,450	40,132,970	99.63
2002	38,831,883	38,662,957	99.56	*	38,662,957	99.56
2001	36,920,867	36,994,021	100.20	*	36,994,021	100.20

Source: District records

Source: Polk County Treasurer

*Information not available

West Des Moines Community School District
ACTUAL HISTORIC SALES, SERVICES AND USE TAX COLLECTIONS
Last Nine Fiscal Years
(Unaudited)

Presented below is a table illustrating the actual sales, services and use tax collections of the District for the period indicated, on an accrual basis:

<u>Fiscal Year</u>	<u>Dallas Co. Revenue</u>	<u>Polk Co. Revenue</u>	<u>Total Revenue</u>
2009	\$ 78,285	\$8,009,537	\$8,087,822
2008	83,957	8,760,395	8,844,351
2007	88,815	8,537,214	8,626,029
2006	124,320	8,552,416	8,676,736
2005	148,227	8,279,875	8,428,102
2004	23,481	8,377,919	8,401,400
2003	-	7,930,354	7,930,354
2002	-	7,310,542	7,310,542
2001	-	7,275,968	7,275,968

Source: District records

**West Des Moines Community School District
OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Governmental Activities</u>				<u>G.O. Bonds as a Percent of Actual Taxable Value of Property</u>	<u>G.O. Bonds Per Capita Personal Income</u>	<u>G.O. Bonds as a Percent of Personal Income</u>
	<u>General Obligation Bonds</u>	<u>Sales Tax Revenue Bonds</u>	<u>Capital Loan Notes</u>	<u>Total</u>			
2010	\$ -	\$ -	\$15,000,000	\$15,000,000	-	*	*
2009	1,190,000	5,340,000	-	6,530,000	0.03%	*	*
2008	2,345,000	10,460,000	-	12,805,000	0.04	*	*
2007	3,435,000	15,380,000	-	18,815,000	0.06	81.80%	0.020%
2006	4,655,000	20,120,000	-	24,775,000	0.09	114.19	0.028
2005	5,985,000	24,700,000	-	30,685,000	0.12	152.62	0.038
2004	7,285,000	29,135,000	-	36,420,000	0.16	192.41	0.049
2003	11,640,000	33,455,000	-	45,095,000	0.26	324.67	0.083
2002	16,800,000	37,480,000	-	54,280,000	0.41	481.96	0.125
2001	21,755,000	-	-	21,755,000	0.54	649.86	0.171

Source: District records

*Information not available

West Des Moines Community School District
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2010
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Polk County	\$ 207,609,000	22.24%	\$ 46,172,242
City of West Des Moines	108,989,618	99.94	108,924,224
City of Des Moines	490,348,912	.20	980,698
City of Clive	50,925,000	100.00	50,925,000
City of Urbandale	43,718,931	19.61	8,573,282
City of Windsor Heights	13,973,842	50.05	6,993,908
Des Moines Area Community College	<u>81,085,000</u>	22.24	<u>18,033,304</u>
Subtotal, overlapping debt	996,650,303		240,602,658
District direct debt			
Capital Loan Notes	<u>15,000,000</u>	<u>100.00%</u>	<u>15,000,000</u>
Total direct and overlapping debt	<u>\$1,011,650,303</u>		<u>\$255,602,658</u>

*Compares the taxable valuation of the West Des Moines Community School District to the taxable valuation of each taxing district located within the District. Includes TIF incremental values. Does not include ag land.

Source: Treasurer of State of Iowa
Source: Polk County Auditor



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**West Des Moines Community School District
 LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
 (Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2010	
Assessed value	<u>\$6,596,742,563</u>
Debt limit (5% of assessed value)	\$329,837,128
Debt applicable to limit	<u>15,000,000</u>
Legal debt margin	<u>\$314,837,128</u>

	2010	2009	2008	2007
Debt limit	\$329,837,128	\$327,397,075	\$299,340,175	\$293,267,008
Total net debt applicable to limit	<u>15,000,000</u>	<u>6,530,000</u>	<u>12,805,000</u>	<u>18,815,000</u>
Legal debt margin	<u>\$314,837,128</u>	<u>\$320,867,075</u>	<u>\$286,535,175</u>	<u>\$274,452,008</u>
Total net debt applicable to the limit as a percentage of debt limit	4.55%	1.99%	4.28%	6.42%

Source: Polk County Auditor and District records

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$269,465,406	\$264,459,349	\$242,811,109	\$236,852,766	\$214,305,309	\$200,324,705
<u>24,775,000</u>	<u>30,685,000</u>	<u>36,420,000</u>	<u>45,095,000</u>	<u>54,280,000</u>	<u>21,755,000</u>
<u>\$244,690,406</u>	<u>\$233,774,349</u>	<u>\$206,391,109</u>	<u>\$191,757,766</u>	<u>\$160,025,309</u>	<u>\$178,569,705</u>
9.19%	11.60%	15.00%	19.04%	25.33%	12.18%

**West Des Moines Community School District
 PLEDGED REVENUE COVERAGE
 Last Ten Fiscal Years
 (Unaudited)**

<u>Fiscal Year</u>	<u>Local Option Sales Tax Revenue Bonds</u>				<u>Coverage</u>
	<u>Revenue</u>	<u>Debt Service</u>		<u>Total</u>	
		<u>Principal</u>	<u>Interest</u>		
2010	\$12,296,701	\$5,340,000	\$ 246,975	\$5,586,975	2.20
2009	8,818,452	5,120,000	483,775	5,603,775	1.57
2008	9,783,186	4,920,000	692,875	5,612,875	1.74
2007	13,644,184	4,740,000	882,625	5,622,625	2.43
2006	10,160,547	4,580,000	1,065,675	5,645,675	1.80
2005	8,802,310	4,435,000	1,243,075	5,678,075	1.55
2004	6,294,949	4,320,000	1,383,475	5,703,475	1.10
2003	-	-	-	-	-
2002	-	-	-	-	-
2001	-	-	-	-	-

Source: District records

**West Des Moines Community School District
CURRENT STATEWIDE RECEIPTS OF THE PHYSICAL PLANT AND EQUIPMENT TAX -
AVERAGE PER PUPIL RECEIPTS
Last Three Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Statewide Disbursements (1)(2)(3)</u>	<u>Statewide Enrollment (Prior October Count)</u>	<u>Average Revenue per Student (2)</u>
2010	\$360,572,603	477,019	\$756
2009	\$363,690,206	480,609	\$757
2008	\$366,028,059	482,584	\$758

- (1) Fiscal year 2010 is preliminary, subject to change
- (2) Estimated figures for 2010 as provided by the Department of Revenue, State of Iowa, and does not include the estimated \$10,000,000 appropriation of funds made by the Legislature for school infrastructure purposes.
- (3) Historical payments in fiscal year 2008 and 2009 as provided by the Department of Revenue, State of Iowa, and does not include the \$10,000,000 appropriation of funds made by the Legislature for school infrastructure purposes.

Source: Department of Revenue, State of Iowa and District records.

West Des Moines Community School District
ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION BEFORE AND AFTER THE
GRANDFATHER PERIOD-PER PUPIL BASIS
(Unaudited)

Table I: Assuming No Growth in Statewide Revenues and No Enrollment Changes

Fiscal Year (6/30)	Total Revenues (1)	Total Enrollment	Average Per Student
2010	\$360,572,603	477,019	\$756
2011	360,572,603	477,019	756
2012	360,572,603	477,019	756
2013	360,572,603	477,019	756
2014	360,572,603	477,019	756
2015	360,572,603	477,019	756
2016	360,572,603	477,019	756
2017	360,572,603	477,019	756
2018	360,572,603	477,019	756
2019	360,572,603	477,019	756
2020	360,572,603	477,019	756
2021	360,572,603	477,019	756
2022	360,572,603	477,019	756
2023	360,572,603	477,019	756
2024	360,572,603	477,019	756
2025	360,572,603	477,019	756
2026	360,572,603	477,019	756
2027	360,572,603	477,019	756
2028	360,572,603	477,019	756
2029	360,572,603	477,019	756
2030	180,286,302	477,019	378

Table II: Assuming Growth in Statewide Revenue at Historic Rates and Enrollment Changes at Historic Rates

Fiscal Year (6/30)	Total Revenues (1)(2)	Total Enrollment (3)	Average Per Student
2010	\$360,572,603	477,019	\$ 756
2011	367,784,056	474,228	776
2012	375,139,737	472,811	793
2013	382,642,531	471,491	812
2014	390,295,382	470,267	830
2015	398,101,290	469,141	849
2016	406,063,315	468,111	867
2017	414,184,582	467,179	887
2018	422,468,273	466,346	906
2019	430,917,639	465,611	925
2020	439,535,992	464,976	945
2021	448,326,711	464,441	965
2022	457,293,246	464,007	986
2023	466,439,111	463,676	1,006
2024	475,767,893	463,448	1,027
2025	485,283,251	463,324	1,047
2026	494,988,916	463,307	1,068
2027	504,888,694	463,397	1,090
2028	514,986,468	463,597	1,111
2029	525,286,197	463,907	1,132
2030	262,643,099	463,907	566

- (1) The tax expires December 31, 2029 and schools will receive revenues for only one-half of FY 2030
- (2) The assumption for growth in retail sales is based on an estimated growth rate of 2.00%. The statewide average percentage increases (weighted) on a 22-year and 10-year historical basis were 3.56% and 2.30%, respectively.
- (3) The assumption for enrollment is based on the county by county actual historic growth.

Source: District records.

**West Des Moines Community School District
ESTIMATED FUTURE SALES, SERVICES AND USE TAX COLLECTIONS
(Unaudited)**

Presented below is a table illustrating the estimated collections of the tax for the periods indicated, using the assumptions noted below:

Period ending June 30	Without Growth Estimated Collection (1)(3)	With Growth Estimated Collection (2)(3)
2010	7,081,253	7,081,253
2011	6,842,760	6,979,696
2012	6,698,306	6,994,111
2013	6,698,306	7,151,066
2014	6,697,195	7,311,135
2015	6,695,791	7,479,625
2016	6,695,499	7,631,853
2017	6,695,499	7,740,505
2018	6,695,499	7,910,402
2019	6,695,499	8,082,376
2020	6,695,499	8,256,381
2021	6,695,499	8,432,366
2022	6,695,499	8,610,277
2023	6,695,499	8,790,052
2024	6,695,499	8,971,629
2025	6,695,499	9,154,936
2026	6,695,499	9,339,899
2027	6,695,499	9,526,438
2028	6,695,499	9,714,467
2029	6,695,499	9,903,895
2030	4,575,257	7,331,484

- (1) Assumes revenue per pupil as outlined in “**GRANDFATHER PERIOD-PER PUPIL BASIS**” herein
- (2) Assumes revenue per pupil increase as outlined in “**GRANDFATHER PERIOD-PER PUPIL BASIS**” herein
- (3) Assumes no enrollment increase or decrease from FY 2010-11 enrollment

Source: District records

West Des Moines Community School District
ESTIMATED DEBT SERVICE AND COVERAGE ON THE BONDS (WITHOUT REVENUE GROWTH)
(Unaudited)

The issuer does not have any outstanding bonds or obligations secured by the tax. Presented below is the annual debt service requirement and estimated coverage on the bonds:

<u>Period ending June 30</u>	<u>Estimated Collection (1)(2)</u>	<u>Combined P&I</u>	<u>Estimated Coverage</u>
2010	7,081,253	5,586,975	1.27
2011	6,842,760	-	-
2012	6,698,306	-	-
2013	6,698,306	-	-
2014	6,697,195	-	-
2015	6,695,791	-	-
2016	6,695,499	-	-
2017	6,695,499	-	-
2018	6,695,499	-	-
2019	6,695,499	-	-
2020	6,695,499	-	-
2021	6,695,499	-	-
2022	6,695,499	-	-
2023	6,695,499	-	-
2024	6,695,499	-	-
2025	6,695,499	-	-
2026	6,695,499	-	-
2027	6,695,499	-	-
2028	6,695,499	-	-
2029	6,695,499	-	-
2030	4,575,257	-	-

- (1) Assumes no enrollment increase or decrease from FY 2010-11 enrollment
- (2) Assumes revenue per pupil as outlined in “**GRANDFATHER PERIOD-PER PUPIL BASIS**” herein

Source: District records

West Des Moines Community School District
ESTIMATED DEBT SERVICE AND COVERAGE ON THE BONDS (WITH REVENUE GROWTH)
(Unaudited)

The issuer does not have any outstanding bonds or obligations secured by the tax. Presented below is the annual debt service requirement and estimated coverage on the bonds and the prior bonds:

<u>Period ending June 30</u>	<u>Estimated Collection (1)(2)</u>	<u>Combined P&I</u>	<u>Estimated Coverage</u>
2010	7,081,253	5,586,975	1.27
2011	6,979,696	-	-
2012	6,994,111	-	-
2013	7,151,066	-	-
2014	7,311,135	-	-
2015	7,479,625	-	-
2016	7,631,853	-	-
2017	7,740,505	-	-
2018	7,910,402	-	-
2019	8,082,376	-	-
2020	8,256,381	-	-
2021	8,432,366	-	-
2022	8,610,277	-	-
2023	8,790,052	-	-
2024	8,971,629	-	-
2025	9,154,936	-	-
2026	9,339,899	-	-
2027	9,526,438	-	-
2028	9,714,467	-	-
2029	9,903,895	-	-
2030	7,331,484	-	-

- (1) Assumes no enrollment increase or decrease from FY 2010-11 enrollment
(2) Assumes revenue per pupil increase as outlined in "GRANDFATHER PERIOD-PER PUPIL BASIS" herein

Source: District records

**West Des Moines Community School District
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
(Unaudited)**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (000's)</u>	<u>(1) Per Capita Personal Income</u>	<u>(1) Unemployment Rate</u>
2010	58,275 *	NA	NA	6.40%
2009	58,275 *	NA	NA	5.70
2008	58,275 *	NA	\$53,139	3.97
2007	58,275 *	\$17,538,839	41,992	4.60
2006	58,275 *	16,755,221	40,764	3.40
2005	58,275 *	15,754,629	39,215	2.70
2004	58,275 *	14,918,628	37,862	1.90
2003	58,275 *	13,960,668	35,852	1.70
2002	58,275 *	13,421,332	34,858	1.50
2001	58,275 *	12,735,942	33,487	1.20

*Population figures related to census taken in 2000

(1) Source: Office of Social & Economic Trend Analysis
www.seta.iastate.edu

NA - Information not available

**West Des Moines Community School District
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)**

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Wells Fargo Home Mortgage	3,336	1	*	—	—	*
WDM Community Schools	1,350	2	*	1,100	3	*
Aviva USA	1,300	3	*	—	—	*
Wells Fargo Card Services	1,205	4	*	1,500	2	*
FBL Financial (Farm Bureau)	1,085	5	*	1,086	4	*
Hy-Vee, Inc.	767	6	*	918	6	*
Iowa Foundation for Medical Care	671	7	*	—	—	*
ADP National Service Center	525	8	*	—	—	*
GuideOne Insurance	508	9	*	720	8	*
MetLife	500	10	*	—	—	*
Associate Credit Card Center	—	—	*	1,800	1	*
Sears Credit Services	—	—	*	970	5	*
KVI	—	—	*	775	7	*
Fawn Engineering Corporation	—	—	*	500	9	*
Delavan Corporation	—	—	*	425	10	*
All other employers	<u>*</u>	*	*	<u>*</u>	*	*
Total	<u>11,247</u>			<u>9,794</u>		

Source: West Des Moines Chamber of Commerce

* Information not available.

West Des Moines Community School District
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees as of June 30			
	2010	2009	2008	2007
Administration				
Superintendent	1.0	1.0	1.0	1.0
Principals	14.0	14.0	14.0	14.0
Assistant principals	10.5	10.5	10.5	10.5
Other	13.5	13.5	13.5	13.0
Other professionals	17.8	18.6	18.5	18.0
Total supervisory	<u>56.8</u>	<u>57.6</u>	<u>57.5</u>	<u>56.5</u>
Instruction				
Teacher	595.3	600.0	579.3	561.9
Curriculum specialist	-	-	-	-
Counselor	19.0	19.0	19.5	19.5
Title I	5.0	5.5	5.5	4.0
Librarian	9.5	9.5	10.0	9.5
Total instruction	<u>628.8</u>	<u>634.0</u>	<u>614.3</u>	<u>594.9</u>
Student services				
Nurse	3.0	3.0	3.0	3.0
Other professionals (noninstructional)	4.4	3.9	5.1	5.9
Total student services	<u>7.4</u>	<u>6.9</u>	<u>8.1</u>	<u>8.9</u>
Support and administration				
Clerical/secretarial	63.3	63.9	57.7	49.0
Teacher assistant	202.1	220.4	211.6	202.9
Other support personnel	215.6	222.3	211.7	173.2
Crafts/trades	16.0	18.0	19.4	18.4
Total support and administration	<u>497.0</u>	<u>524.6</u>	<u>500.4</u>	<u>443.5</u>
Total	<u>1,190.0</u>	<u>1,223.1</u>	<u>1,180.3</u>	<u>1,103.8</u>

* Information not available

Source: District records

Full-Time Equivalent Employees as of June 30						Percentage Change
2006	2005	2004	2003	2002	2001	2001 - 2010
1.0	1.0	1.0	1.0	1.0	1.0	-
13.3	13.3	13.3	13.3	14.3	14.3	(2.1)
11.0	11.0	11.0	12.0	12.0	11.0	(4.8)
13.2	10.7	10.7	10.7	12.7	10.7	20.7
<u>17.0</u>	<u>32.9</u>	<u>59.9</u>	<u>57.9</u>	<u>35.0</u>	<u>25.0</u>	<u>(40.4)</u>
<u>55.5</u>	<u>68.9</u>	<u>95.9</u>	<u>94.9</u>	<u>75.0</u>	<u>62.0</u>	<u>(9.2)</u>
554.9	547.6	545.3	545.8	539.4	539.1	9.4
-	-	-	-	1.0	1.0	(100.0)
19.5	19.5	18.5	18.5	18.5	18.5	2.6
4.0	4.0	5.0	5.0	5.0	5.0	-
<u>10.0</u>	<u>10.0</u>	<u>10.5</u>	<u>10.5</u>	<u>10.5</u>	<u>10.0</u>	<u>(5.3)</u>
<u>588.4</u>	<u>581.1</u>	<u>579.3</u>	<u>579.8</u>	<u>574.4</u>	<u>573.6</u>	<u>8.8</u>
3.0	3.0	7.5	7.5	7.5	7.5	(150.0)
<u>6.1</u>	<u>4.8</u>	<u>5.3</u>	<u>2.0</u>	<u>1.5</u>	<u>1.5</u>	<u>65.9</u>
<u>9.1</u>	<u>7.8</u>	<u>12.8</u>	<u>9.5</u>	<u>9.0</u>	<u>9.0</u>	<u>(21.6)</u>
55.2	71.2	71.5	73.4	70.1	61.5	2.8
162.8	143.0	131.9	138.7	118.4	*	*
208.7	203.0	161.1	167.8	190.3	315.0	(46.1)
<u>15.0</u>	<u>17.0</u>	<u>27.3</u>	<u>23.5</u>	<u>22.0</u>	<u>24.0</u>	<u>(50.0)</u>
<u>441.7</u>	<u>434.2</u>	<u>391.8</u>	<u>403.4</u>	<u>400.8</u>	<u>400.5</u>	<u>19.4</u>
<u>1,094.7</u>	<u>1,092.0</u>	<u>1,079.8</u>	<u>1,087.6</u>	<u>1,059.2</u>	<u>1,045.1</u>	<u>12.2%</u>



WEST DES MOINES
COMMUNITY
S C H O O L S

**West Des Moines Community School District
OPERATING STATISTICS
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Dallas County</u>	<u>Polk County</u>	<u>Certified Enrollment</u>	<u>General Fund Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Students Receiving Fee or Reduced-Price Meals</u>
2010	*	*	8,858	\$86,020,903	\$9,711	1.37%	628.8	14.09	23.70%
2009	85.0	8,757	8,842	84,710,364	9,580	7.94	634.0	13.95	20.90
2008	91.0	8,789	8,880	78,815,508	8,876	7.96	614.3	14.46	18.04
2007	92.0	8,755	8,847	72,739,399	8,221	5.80	594.9	14.87	16.60
2006	98.0	8,700	8,798	68,359,777	7,770	1.66	588.4	14.95	12.30
2005	143.0	8,430	8,573	65,523,847	7,643	7.88	581.1	14.75	12.90
2004	187.0	8,554	8,741	61,934,352	7,085	1.59	579.3	15.09	11.70
2003	96.0	8,890	8,755	61,056,104	6,974	5.79	579.8	15.10	9.30
2002	76.0	8,777	8,747	57,661,045	6,592	7.03	574.4	15.23	10.50
2001	*	*	8,687	53,499,598	6,159	0.33	573.6	15.14	9.60

Source: District records

* Not available

West Des Moines Community School District
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years
(Unaudited)

School	Fiscal Year			
	2010	2009	2008	2007
Elementary				
Clegg Park (1957, 1970, 1989, 1991)				
Square feet	41,260	41,260	41,260	41,260
Number of classrooms	14	14	14	14
Enrollment	—	—	—	—
Clive (1952, 1955, 1957, 1959, 1976, 1989, 1991, 2005)				
Square feet	67,802	67,802	67,802	67,802
Number of classrooms	21	21	21	21
Enrollment	442	455	464	401
Crestview (1961, 1966, 1969, 1976, 1991)				
Square feet	66,362	59,310	59,310	59,310
Number of classrooms	25	22	22	22
Enrollment	455	492	473	483
Crossroads Park (1977)				
Square feet	60,619	60,619	60,619	60,619
Number of classrooms	21	21	21	21
Enrollment	543	551	546	520
Fairmeadows (1957, 1962, 1976, 1987, 1992, 2006)				
Square feet	51,435	51,435	51,435	51,435
Number of classrooms	23	23	23	23
Enrollment	496	498	487	484
Hillside (2004)				
Square feet	81,222	81,222	81,222	81,222
Number of classrooms	45	45	45	45
Enrollment	574	614	595	586
Jordan Creek (1992)				
Square feet	82,000	82,000	82,000	82,000
Number of classrooms	35	35	35	35
Enrollment	704	726	728	760
Rex Mathes (1951, 1956, 1969, 1989, 1991)				
Square feet	20,600	20,600	20,600	20,600
Number of classrooms	3	3	3	3
Enrollment	—	—	—	—
Phenix (1939, 1992)				
Square feet	36,650	36,650	36,650	36,650
Number of classrooms	10	10	10	10
Enrollment	119	139	158	160
Western Hills (1967, 1968, 1971, 1988, 1992, 2009)				
Square feet	74,755	74,755	73,689	73,689
Number of classrooms	27	27	25	25
Enrollment	515	505	477	403
Westridge (1990)				
Square feet	81,000	81,000	81,000	81,000
Number of classrooms	32	32	32	32
Enrollment	623	671	686	709

*Information not available

Fiscal Year

2006	2005	2004	2003	2002	2001
41,260	41,260	41,260	41,260	41,260	41,260
14	14	14	14	14	14
-	-	261	269	263	271
67,802	67,802	67,802	67,802	67,802	67,802
21	21	21	21	21	21
426	383	426	403	395	407
59,310	59,310	59,310	59,310	59,310	59,310
22	22	22	22	22	22
493	516	522	530	534	545
60,619	60,619	60,619	60,619	60,619	60,619
21	21	21	21	21	21
529	507	520	500	491	459
51,435	51,435	51,435	51,435	51,435	51,435
21	21	21	21	21	21
473	465	487	501	488	496
81,222	81,222	-	-	-	-
45	45	-	-	-	-
564	575	-	-	-	-
82,000	82,000	82,000	82,000	82,000	82,000
35	35	34	34	33	31
770	770	764	756	725	708
20,600	20,600	20,600	20,600	20,600	20,600
3	3	15	15	15	15
-	-	310	288	336	349
36,650	36,650	36,650	36,650	36,650	36,650
10	10	10	10	10	10
164	144	155	144	154	156
73,689	73,689	73,689	73,689	73,689	73,689
25	25	25	25	25	25
392	414	404	417	429	445
81,000	81,000	81,000	81,000	81,000	81,000
32	32	32	31	31	31
724	723	739	733	733	733

**West Des Moines Community School District
SCHOOL BUILDING INFORMATION (continued)
Last Ten Fiscal Years
(Unaudited)**

School	Fiscal Year			
	2010	2009	2008	2007
Middle				
Indian Hills (1977, 1992)				
Square feet	115,074	115,074	115,074	115,074
Number of classrooms	45	45	45	45
Enrollment	595	623	617	622
Stilwell (1960, 1962, 1968, 1984, 1988, 1992, 2002)				
Square feet	95,520	95,520	95,520	95,520
Number of classrooms	42	42	42	42
Enrollment	694	689	706	745
High				
Valley Southwoods Freshman (1999)				
Square feet	162,500	162,500	162,500	162,500
Number of classrooms	44	44	44	44
Enrollment	629	704	725	685
Valley (1964, 1967, 1969, 1970, 1989, 1992, 2005)				
Square feet	345,437	345,437	312,599	312,599
Number of classrooms	107	107	107	107
Enrollment	1,784	1,895	1,870	1,890
Other				
Walnut Creek Campus 8 th Street (1999)				
Square feet	18,052	18,052	18,052	18,052
Number of classrooms	16	16	16	16
Enrollment	153	173	171	158

Source: District records.

*Information not available

Fiscal Year					
2006	2005	2004	2003	2002	2001
115,074	115,074	115,074	115,074	115,074	115,074
45	45	45	45	45	45
637	638	632	662	644	622
95,520	95,520	95,520	95,520	95,520	*
42	42	42	42	42	42
711	665	753	735	686	653
162,500	162,500	162,500	162,500	162,500	162,500
44	44	44	44	44	44
650	696	683	611	621	650
310,196	310,196	*	*	*	*
101	101	101	101	101	101
1,859	1,823	1,793	1,749	1,716	1,700
18,052	18,052	18,052	18,052	18,052	18,052
16	16	16	16	16	16
171	182	188	172	181	161



WEST DES MOINES
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**West Des Moines Community School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2010**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture			
<i>Passed through State Department of Agriculture and State of Iowa Department of Education</i>			
National School Breakfast Program	10.553	42-6004525	\$ 97,792
National School Lunch Program	10.555	42-6004525	1,116,967
Summer Food Service Program for Children	10.559	42-6004525	<u>65,594</u>
Total nutrition cluster			1,280,353
U S. Department of Education			
<i>Direct Programs</i>			
Foreign Language Assistance	84.293B	42-6001433	267,206
<i>Passed through State of Iowa Department of Education</i>			
Title I - Grants to Local Educational Agencies	84.010A	42-6004525	370,508
Special Education - Grants to States	84.027	42-6004525	506,310
Vocational Education Basic Grants to States - Carl Perkins Basic Grant	84.048A	42-6004525	70,127
Safe and Drug-Free Schools and Community - State Grants	84.186A	42-6004525	18,384
Parent Assistance	84.310	42-6004525	7,619
Advance Placement	84.330	42-6004525	672
Title II - Improving Teacher Quality State Grant	84.367	42-6004525	217,197
Grants for State Assessments and Related Activities	84.369	42-6004525	56,310
ARRA - Special Education - Grants to States	84.391	42-6004525	830,658
ARRA - State Fiscal Stabilization Fund (SFSF) - Education	84.394	42-6004525	3,823,636
U.S. Department of Health and Human Services			
<i>Passed through Drake University, Head Start</i>			
	93.600	42-0680460	4,242
<i>Passed through State of Iowa Department of Health and Human Services</i>			
Child Care and Development Block Grant	93.575	42-6004568	<u>2,500</u>
Total expenditures of federal awards			<u>\$7,455,722</u>

See Notes to Schedule of Expenditures of Federal Awards.

West Des Moines Community School District
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2010

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of West Des Moines Community School District for the year ended June 30, 2010. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

**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
West Des Moines Community School District
West Des Moines, Iowa

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Des Moines Community School District (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the 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 the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of West Des Moines 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item II-A-10 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2010 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.

The District's responses to findings identified in our audit are described in the accompanying schedule of findings. While we have expressed our conclusions on the District's responses, we did not audit the 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 the District and other parties to whom the 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.


DENMAN & COMPANY, LLP

West Des Moines, Iowa
January 12, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Education
West Des Moines Community School District
West Des Moines, Iowa

Compliance

We have audited the compliance of West Des Moines Community School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of independent auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 noncompliance 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 the 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 the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the 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 the District's internal control over compliance with requirements that could have a direct and material effect on its major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the District's responses, we did not audit the 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 the District and other parties to whom the 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.

Denman & Company, LLP
DENMAN & COMPANY, LLP

West Des Moines, Iowa
January 12, 2011

**West Des Moines Community School District
SCHEDULE OF FINDINGS
Year ended June 30, 2010**

Part I—Summary of the Independent Auditor's Results

- (a) An unqualified opinion was issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No significant deficiencies or material weaknesses 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:
 - National School Nutrition Cluster
 - CFDA Number 10.555 National School Lunch Program
 - CFDA Number 10.553 National School Breakfast Program
 - CFDA Number 10.559 Summer Food Service Program for Children
 - CFDA Number 84.027 IDEA Grant
 - CFDA Number 84.391 Special Education Grants to States
 - CFDA Number 84.394 ARRA Stabilization
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) West Des Moines Community School District qualified as a low-risk auditee.

West Des Moines Community School District
SCHEDULE OF FINDINGS (continued)
Year ended June 30, 2010

Part II Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

MATERIAL WEAKNESS:

II-A-10 Financial Reporting

During the audit, we identified material misstatements within year end-bank reconciliations prepared by District accounting personnel. Adjustments were subsequently made by the District to reflect changes made to remove erroneous reconciling items previously included in year-end bank reconciliations.

Recommendation

The District should implement procedures to ensure District accounting personnel are properly preparing monthly bank reconciliations.

Response

We will ensure that bank reconciliations are prepared on a timely basis and that unreconciled differences are reviewed and resolved.

Conclusion

Response accepted.

Part III Findings and Questioned Costs for Federal Awards

None

West Des Moines Community School District
SCHEDULE OF FINDINGS (continued)
Year ended June 30, 2010

Part IV—Other Findings Related to Required Statutory Reporting

IV-A-10 CERTIFIED BUDGET

Expenditures for the year ended June 30, 2010 did not exceed the amount budgeted.

IV-B-10 QUESTIONABLE EXPENDITURES

No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-10 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-10 BUSINESS TRANSACTIONS

No business transactions between the District and District officials or employees in excess of \$1,500 were noted.

IV-E-10 BOND COVERAGE

Surety bond coverage of District officials and employees is in accordance with statutory provisions.

IV-F-10 BOARD MINUTES

Board minutes are in accordance with statutory provisions.

IV-G-10 CERTIFIED ENROLLMENT

No variances in the basic enrollment data certified to the Iowa Department of Education were noted.

IV-H-10 SUPPLEMENTARY WEIGHTING

No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-I-10 DEPOSITS AND INVESTMENTS

No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy were noted.

**West Des Moines Community School District
SCHEDULE OF FINDINGS (continued)
Year ended June 30, 2010**

Part IV—Other Findings Related to Required Statutory Reporting

IV-J-10 CERTIFIED ANNUAL REPORT

The certified annual report was filed with the Department of Education timely. We noted material adjustments to the amounts reported.

Recommendations

The District should amend the amounts through auditor's adjustments to the beginning balance on the subsequent period Certified Annual Report.

Response

We will make the adjustments on the June 30, 2011 Certified Annual Report.

Conclusion

Response accepted.

IV-K-10 CATEGORICAL FUNDING

No instances were noted of categorical funding being used to supplant rather than supplement other funds.

IV-L-10 STATEWIDE SALES AND SERVICES TAX

No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax. For the year ended June 30, 2010, the District's financial activity and other required information for the statewide sales and services tax are as follows:

Beginning balance		\$ 6,759,589
Revenues/transfers in		
Statewide sales and services tax revenue	\$ 7,138,043	
Investment earnings	211,339	
Physical plant and equipment for capital projects	<u>4,947,319</u>	12,296,701
Expenditures/transfers out		
School infrastructure		
Buildings	\$12,928,589	
Equipment	259,443	
Debt service for school infrastructure		
Revenue debt	<u>5,659,972</u>	<u>18,848,004</u>
Ending balance		\$ <u>208,286</u>