

Comprehensive Annual Financial Report of the

West Des Moines Community School District
West Des Moines, Iowa

For the Fiscal Year Ended June 30, 2012

Official Issuing Report

Paul Bobek, CPA, Chief Financial Officer

Office Issuing Report

Administrative Services Division

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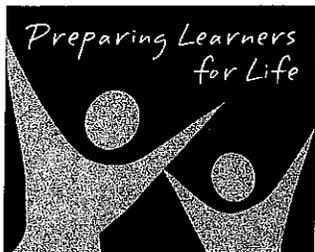
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WEST DES MOINES
COMMUNITY
S C H O O L S

Dr. Peter Ansingh,
Superintendent

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

Phone (515) 633-5000
Fax (515) 633-5099

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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.

November 9, 2012

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, 2012. 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 and federal 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 shared vision provides the foundation of our District's financial planning. Meeting the educational needs of our students despite state and federal 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 their children.
- A team of outstanding and dedicated teachers, staff and administrators.
- Students who understand the importance of obtaining a quality education.

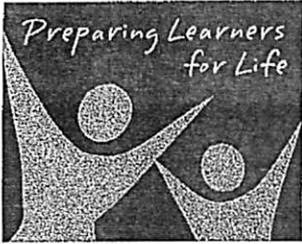
As you review the information included in this report, please be sure to contact us if you have any questions or suggestions. Our focus is upon the learning needs of all of our students. With your help and support, we will continue to be an excellent system of schools. We can all take pride in the outstanding success of our students as they graduate as learners prepared for life.

Sincerely,

Peter Ansingh, Ed.D.
Superintendent



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November 9, 2012

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, 2012 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.

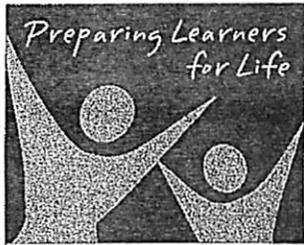
This report includes all funds of the West Des Moines Community School District. The District provides a full range of programs and services including instructional; administrative; transportation; food service; maintenance of sites and facilities; custodial; clerical; extra, co-curricular and athletic 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 2012.

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,



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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, to 8,776 students. Enrollment declined more than 200 students during fiscal years 2004 and 2005 and 38 students in fiscal year 2009, but it has increased for each of the past seven years, to 9,050 students in fiscal year 2012.

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's tax base increased approximately 3.54% over the past 10 years. In fiscal year 2012, the increase was 1.4%.

The tax base is expected to grow more slowly in the next five years, and student enrollment is expected to be fairly stable over the same period.

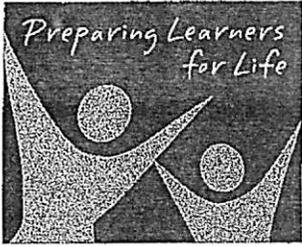
Retail sales, building permits and population increases in the western suburbs have generally exceeded that of any other location in the metropolitan area or in the state of Iowa. Growth in the Des Moines area suburbs is expected to exceed the state average. A large percentage of these increases are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

In recent years, the state of Iowa faced an economic downturn that severely hampered its ability to fund schools at the same level as in prior years. After two consecutive years of 4.5% declines in the state's net receipts, in 2011, the state's net receipts increased by 5.8%. 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 continues to implement the District's long range facilities plan which is primarily funded with sales tax revenues and property taxes, and was approved in March 2010.

The 2011-12 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 efforts were completed during the summer of 2012 at Walnut Creek Campus and Stilwell Junior High. Valley High School's Phase II renovation project



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continues and in November 2012 the Board of Education awarded contracts totaling approximately \$26.7 million for Valley High School Phase III.

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 2011-12 School Year

Valley High School enjoyed another very successful year in athletics during the 2011-12 school year. Valley was 3rd in the Register All-Sports Trophy competition. Football, Boys' Golf and Cheerleading won State Championships to lead the Tigers. Valley had multiple students win state championships and two athletes were named Gatorade Athletes of the Year in their respective sports.

The Valley Tigers were CIML-Iowa Conference Champions in 8 different sports and 10 different individual students were named 1st Team All State and will enter the Wall of Fame at Valley High School. At the state level three teams were state champions, two finished 2nd, two were 3rd, four were 4th and in total, 16 teams qualified for the post-season.

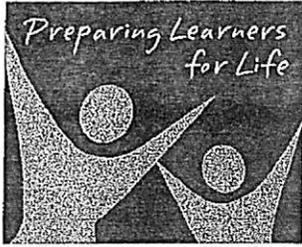
Valley High School continues to be represented by the students, coaches, teachers and fans dedicated to high expectations and the pursuit of excellence. Participation numbers in all sports continues to increase. Over 60 percent of all students participating in athletics received Academic All Conference Awards for maintaining a 3.25 GPA or higher. Leadership by students both in the classrooms and on the playing fields remain a highlight for the Valley Athletic Department.

Other Financial Information

Management of the District is responsible for establishing and maintaining internal controls 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 controls are designed to provide reasonable, but no 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. 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 controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal control procedures are 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 award programs. The results of the District's audit for the fiscal year ended June 30, 2012 noted no



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material weaknesses in the internal controls over financial reporting or for compliance issues.

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.

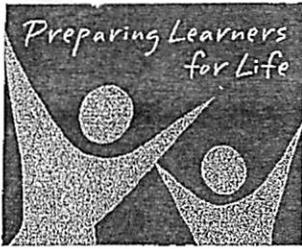
As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

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 2011 legislature set the FY13 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 Bohnsack & Frommelt, 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 are included in the financial section of this report.



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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, 2011. 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-five 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-six 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, Bohnsack & Frommelt, 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,

Peter Ansingh, Ed.D.
Superintendent

Paul Bobek, CPA
Chief Financial Officer

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West Des Moines Community School District

**Board of Education
Year Ended June 30, 2012**

	Title	Term/Contract Expires
H. Milton Cole	President	September 2015
Elizabeth Brennan	Vice President	September 2013
Andi Lipman	Board Member	September 2015
Jill Hansen	Board Member	September 2013
Dr. Kevin Carroll	Board Member	September 2015
David J. Brown	Board Member	September 2015
Mark Lagomarcino	Board Member	September 2013

West Des Moines Community School District

District Administration Year Ended June 30, 2012

Dr. Peter Ansingh	Superintendent
Dr. Laurene Lanich	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/Westridge Elementary Assistant Principal
Kurt Subra, CPA	Chief Financial Officer
Donna Gregory	Director of Finance
Shane Scott	Director of Curriculum
Graham Jones	Director of Curriculum/Jordan Creek Elementary Assistant Principal
Dr. Phyllis Staplin	Director of Curriculum
Shahna Janssen	Director of Curriculum Education
Dr. Elizabeth Hanna	Director of Nutrition Services
Elaine Watkins-Miller	Director of School/Community Relations
Brian Abeling	Director of Technology
Dr. Angie Calhoun	Director of Special Education
Jim Mollison	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
Dr. Erika Cook	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
Eric Boyle	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
Andrea Boyd	Phenix Early Childhood Center Principal/Hillside Principal
Dr. Kim Davis	Walnut Creek Campus Principal

Certificate of Achievement for Excellence in Financial Reporting

Presented to

West Des Moines Community
School District, Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moirice

President

Jeffrey R. Emer

Executive Director

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, 2011

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

President

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, the business-type activities, each major fund and the aggregate remaining fund information of the West Des Moines Community School District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the West Des Moines Community School District as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows thereof 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 November 9, 2012 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 grants 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 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 13, budgetary comparison information on pages 52 through 54 and schedule of funding progress for the retiree health plan on page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 basic financial statements. 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 , *Audits of States, Local Governments and Nonprofit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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 it.

Bohnsack & Frommelt LLP

Overland Park, Kansas
November 9, 2012

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

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, 2012. 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 \$19,476,678 and \$11,038,261 during the years ended June 30, 2012 and 2011, respectively.

Total revenues for the fiscal year ended June 30, 2012 and 2011 of \$125,616,136 and \$116,555,003 were comprised of general revenues in the amount of \$93,644,904 and \$89,954,739 and program revenues totaling \$31,971,232 and \$26,600,264, respectively.

As of June 30, 2012, the District's governmental funds reported combined ending fund balances of \$59,810,219, a decrease of \$6,728,969 in comparison with 2011. Of the total combined fund balance, \$17,459,849 represents unassigned fund balance. As of June 30, 2011, the District's governmental funds reported combined ending fund balances of \$66,539,188, an increase of \$34,287,615 in comparison with 2010. Of the total combined fund balance, \$13,896,876 represents unassigned fund balance.

As of June 30, 2012, unassigned fund balance of the General Fund was \$17,459,849 or 19.4 percent of total General Fund expenditures and \$13,896,876 or 15.9 percent for 2011.

The West Des Moines Community School District's total long-term debt increased by \$5,085,495 during fiscal year ended June 30, 2012 and increased by \$36,452,990 during fiscal year ended June 30, 2011. The 2012 increase was due to the issuance of \$10,000,000 of revenue bonds 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.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

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).

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 fund 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.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

The West Des Moines Community School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Capital Projects Fund 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 18 through 21 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 and dental insurance plans for District's 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 22 through 27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial 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 28 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 52 through 55 of this report.

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

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

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 \$177,631,238 to \$197,107,916.

Table 1 - Net Assets

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Current and other assets	\$ 146,330,756	\$ 150,976,035	\$ 4,148,107	\$ 3,099,195	\$ 150,478,863	\$ 154,075,230
Capital assets	185,149,937	161,696,051	593,670	641,315	185,743,607	162,337,366
Total assets	331,480,693	312,672,086	4,741,777	3,740,510	336,222,470	316,412,596
Noncurrent liabilities	58,995,149	52,877,246	330,000	253,286	59,325,149	53,130,532
Other liabilities	79,583,127	85,562,771	206,278	88,055	79,789,405	85,650,826
Total liabilities	138,578,276	138,440,017	536,278	341,341	139,114,554	138,781,358
Net assets:						
Invested in capital assets, net of debt	158,150,471	147,846,051	593,670	641,315	158,744,141	148,487,366
Restricted	12,748,833	14,014,432	-	-	12,748,833	14,014,432
Unrestricted	22,003,113	12,371,586	3,611,829	2,757,854	25,614,942	15,129,440
Total net assets	\$ 192,902,417	\$ 174,232,069	\$ 4,205,499	\$ 3,399,169	\$ 197,107,916	\$ 177,631,238

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 \$158,744,141 for 2012 and \$148,487,366 for 2011. 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.

The restricted portion of the District's net assets (6.5 percent for 2012 and 7.9 percent for 2011) represents resources that are subject to external restrictions on how they may be used. These restrictions for 2012 include \$2,146,045 for physical plant and equipment levy, \$2,245,381 for statewide sales and services tax, \$5,876,573 for management levy and \$332,457 for public education and recreation levy. The remaining balance of unrestricted net assets, \$25,614,942 for 2012 and \$15,129,440 for 2011, may be used to meet the government's ongoing obligations to students and creditors.

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 \$19,476,678 during the current fiscal year as compared to \$11,038,261 in 2011. The governmental activities net assets increased by \$18,670,348 in 2012 and \$10,674,804 in 2011. The business-type activities, which include nutrition, community education,

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

preschool regular education and student construction increased by \$806,330 in 2012 and \$363,457 in 2011.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2012 and 2011. 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 service its long-term 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

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Revenues:						
Program revenues:						
Charges for service and sales	\$ 7,077,269	\$ 5,656,757	\$ 5,415,679	\$ 5,308,686	\$ 12,492,948	\$ 10,965,443
Operating grants and contributions	15,985,636	13,977,744	1,967,784	1,657,077	17,953,420	15,634,821
Capital grants and contributions	1,509,864	-	15,000	-	1,524,864	-
General revenues:						
Property taxes and other taxes	64,930,165	64,128,967	-	-	64,930,165	64,128,967
Other local sources	49,880	1,409,137	-	150,117	49,880	1,559,254
State sources	28,223,794	23,888,724	-	-	28,223,794	23,888,724
Investment earnings	421,064	359,734	20,001	18,060	441,065	377,794
Total revenues	118,197,672	109,421,063	7,418,464	7,133,940	125,616,136	116,555,003
Program expenses:						
Instruction	64,031,921	66,020,971	-	-	64,031,921	66,020,971
Support services	30,460,006	28,725,290	-	-	30,460,006	28,725,290
Noninstructional programs	504,947	119,681	-	-	504,947	119,681
Other	3,310,851	3,548,218	-	-	3,310,851	3,548,218
Interest on long-term debt	1,322,932	357,099	-	-	1,322,932	357,099
School nutrition	-	-	3,837,098	4,051,189	3,837,098	4,051,189
Community education	-	-	2,484,504	2,478,636	2,484,504	2,478,636
Preschool regular education	-	-	162,529	162,440	162,529	162,440
Student construction	-	-	24,670	53,218	24,670	53,218
Total expenses	99,630,657	98,771,259	6,508,801	6,745,483	106,139,458	105,516,742
Excess of revenues over expenses before transfers						
	18,567,015	10,649,804	909,663	388,457	19,476,678	11,038,261
Transfers						
	103,333	25,000	(103,333)	(25,000)	-	-
Increase in net assets						
	18,670,348	10,674,804	806,330	363,457	19,476,678	11,038,261
Net assets, beginning	174,232,069	163,557,265	3,399,169	3,035,712	177,631,238	166,592,977
Net assets, ending	\$ 192,902,417	\$ 174,232,069	\$ 4,205,499	\$ 3,399,169	\$ 197,107,916	\$ 177,631,238

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$118,197,672 and expenses were \$99,630,657. 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 54.9 percent and 23.8 percent, respectively, of total revenues. Instruction constitutes the largest portion of expenditures at \$64,031,921 or 64.3 percent of total expenditures.

Table 3 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

	Total Cost of Services		Net Cost of Services	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Instruction	\$ 64,031,921	\$ 66,020,971	\$ 45,723,748	\$ 49,931,607
Support services	30,460,006	28,725,290	29,013,915	28,725,290
Noninstructional programs	504,947	119,681	504,947	119,681
Other	3,310,851	3,548,218	(1,507,654)	3,081
Interest on long-term debt	1,322,932	357,099	1,322,932	357,099
School nutrition	3,837,098	4,051,189	(519,927)	(144,429)
Community education	2,484,504	2,478,636	(388,583)	(111,079)
Preschool regular education	162,529	162,440	(5,822)	(17,990)
Student construction	24,670	53,218	24,670	53,218
Total expenses	\$ 106,139,458	\$ 105,516,742	\$ 74,168,226	\$ 78,916,478

Net cost of serviced is 69.9 percent of total cost of services in 2012 and 74.8 percent in 2011. The cost of governmental activities financed by users of the District's programs was \$7,077,269 for 2012 and \$5,656,757 for 2011. Federal and state governments subsidized certain programs with grants and contributions totaling \$17,495,500 for 2012 and \$13,977,744 for 2011. The remaining net cost of the governmental activities was financed with property tax, state foundation aid and investment earnings.

Approximately 80 percent of the District's general fund budget is comprised of salary and benefit costs. Historically speaking, collective bargaining contracts have increased four percent or more each year. Until 2010, District staffing had increased for several consecutive years due to gradual enrollment growth, changing student needs and demographics. More recently, the Board of Education has approved the administration's recommendation to reduce some teaching and staff positions in various education programs and support areas. These reductions were made in response to state funding cuts.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

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 Fund'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 \$104,300 for fiscal year 2012.
- 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 \$12,705.

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 \$59,810,219, a decrease of \$6,728,969 in comparison with the prior year fund balance of \$66,539,188. Approximately 29 percent or \$17,459,849 for 2012 and \$13,896,876 or 20.9 percent for 2011, constitutes unassigned fund balance, which is available for spending at the government's discretion. The majority of the remaining fund balance for 2012 is restricted to indicate that it is not available for new spending because it has already been restricted for other purposes, \$42,287,852.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$17,459,849 for 2012 and \$13,896,876 for 2011, while total fund balance reached \$18,698,887 for 2012 and \$13,944,985 for 2011. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19.4 percent of total General Fund expenditures, and total fund balance represents approximately 20.7 percent of that same amount for 2012. For 2011, unassigned fund balance represents 15.9 percent of total General Fund expenditures, while total fund balance represents approximately 11.8 percent of that same amount.

The Capital Projects Fund fund balance decreased to \$33,930,445 in 2012 from \$46,500,131 in 2011. This decrease is due primarily to remodeling projects.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

The fund balance of the District's General Fund increased by \$4,753,902 during June 30, 2012 primarily due to expenditure reductions approved by the Board in 2011 for the 2011-12 school year.

For 2011, the fund balance of the District's General Fund increased by \$3,765,392 from 2010. Key factor in this decrease is as follows:

- Increase in cash reserve levy in 2011.
- Expenditure reductions approved by the Board in 2010 for the 2010-11 school year.

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.

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

	Budget		Actual Expenditures/ Expenses	Variance
	Original	Final		
Instruction	\$ 66,845,000	\$ 66,845,000	\$ 63,475,025	\$ 3,369,975
Support services	31,930,000	31,930,000	32,098,389	(168,389)
Noninstructional programs	7,230,000	7,230,000	6,777,716	452,284
Other	39,545,759	39,545,759	39,304,157	241,602
Total	\$ 145,550,759	\$ 145,550,759	\$ 141,655,287	\$ 3,895,472

The original budget is published at least three months prior to the start of 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 \$23,406,241 for 2012. Most of the increase can be attributed to the remodeling costs for Valley High School. 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.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

For 2011, the District recognized a total net increase of \$12,986,136. Most of the increase can be attributed to the remodeling costs for Crossroads Park Elementary. All were funded by the tax fund revenues.

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

	2012	2011
Land	\$ 4,188,998	\$ 4,188,998
Construction-in-progress	31,803,072	13,819,509
Buildings and improvements	145,812,182	140,522,317
Machinery and equipment	3,939,355	3,806,542
Total	\$ 185,743,607	\$ 162,337,366

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

Debt

As of June 30, 2012, the West Des Moines Community School District had bonds and capital loan notes outstanding totaling \$56,538,485 compared to \$51,452,990 as of June 30, 2011. In the current year, the District paid \$4,735,000 in principal and \$1,194,187 in interest on outstanding debt.

	2012	2011
Capital loan notes	\$ 46,640,191	\$ 51,452,990
Revenue bonds	9,898,294	-
	\$ 56,538,485	\$ 51,452,990

As of June 30, 2012, the District's available legal debt margin was \$263,568,048 compared to \$280,286,855 as of June 30, 2011.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

Other long-term debt consists of:

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change 2011-12
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	
	Early retirement	\$ 2,685,983	\$ 2,869,178	\$ -	\$ -	\$ 2,685,983	
Compensated absences	377,610	353,120	10,727	-	388,337	353,120	-9.1%
Net OPEB liability	5,340,000	4,113,714	330,000	253,286	5,670,000	4,367,000	-23.0%
Total	\$ 8,403,593	\$ 7,336,012	\$ 340,727	\$ 253,286	\$ 8,744,320	\$ 7,589,298	-13.2%

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

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's tax base increased approximately 3.54% over the past 10 years. In fiscal year 2012, the increase was 1.4%.

The tax base is expected to grow more slowly in the next five years, and student enrollment is expected to be fairly stable over the same period.

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 District's boundaries.

In recent years, the state of Iowa faced an economic downturn that severely hampered its ability to fund schools at the same level as in prior years. After two consecutive years of 4.5 percent declines in the state's net receipts, in 2011 the state's net receipts increased by 5.8 percent. For at least the next few years, the District expects to receive inadequate funding for state aid and other state-funded programs. The legislature as established the 2013-14 Allowable Growth rate at zero percent. In short, this means General Fund revenues will remain relatively constant while General Fund operating expenses are expected to increase.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2012

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. Paul Bobek, 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, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents and investments	\$ 57,986,212	\$ 3,060,475	\$ 61,046,687
Restricted cash, cash equivalents and investments	29,539,019	-	29,539,019
Receivables:			
Property taxes	54,533,039	-	54,533,039
Other	5,148,421	71,007	5,219,428
Inventories	62,518	78,172	140,690
Internal balances	(938,453)	938,453	-
Total current assets	146,330,756	4,148,107	150,478,863
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	4,173,998	15,000	4,188,998
Construction-in-progress	31,803,072	-	31,803,072
Depreciable:			
Buildings and improvements	201,479,556	-	201,479,556
Machinery and equipment	11,948,921	2,380,758	14,329,679
Accumulated depreciation	(64,255,610)	(1,802,088)	(66,057,698)
Total noncurrent assets	185,149,937	593,670	185,743,607
Total assets	\$ 331,480,693	\$ 4,741,777	\$ 336,222,470

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	7,871,077	120,696	7,991,773
Claims payable	2,255,000	-	2,255,000
Accrued liabilities	7,643,521	-	7,643,521
Unearned revenue	55,600,250	74,855	55,675,105
Capital loan notes	4,665,000	-	4,665,000
Compensated absences	377,610	10,727	388,337
Liability for early retirement	904,319	-	904,319
Accrued interest payable	266,350	-	266,350
Total current liabilities	79,583,127	206,278	79,789,405
Noncurrent liabilities:			
Capital notes	41,975,191	-	41,975,191
Revenue bonds	9,898,294	-	9,898,294
Liability for early retirement	1,781,664	-	1,781,664
Net OPEB liability	5,340,000	330,000	5,670,000
Total noncurrent liabilities	58,995,149	330,000	59,325,149
Total liabilities	138,578,276	536,278	139,114,554
Net Assets			
Investment in capital assets, net of related debt	158,150,471	593,670	158,744,141
Restricted for:			
Categorical funding	1,176,520	-	1,176,520
Physical plant and equipment levy	2,146,045	-	2,146,045
Statewide sales and services tax	2,245,381	-	2,245,381
Management levy	5,876,573	-	5,876,573
Public education and recreation levy	332,457	-	332,457
Student activities	971,857	-	971,857
Unrestricted	22,003,113	3,611,829	25,614,942
Total net assets	\$ 192,902,417	\$ 4,205,499	\$ 197,107,916

West Des Moines Community School District

Statement of Activities Year Ended June 30, 2012

	Functions/Programs	Expenses
Primary Government:		
Governmental activities:		
Instruction		\$ 64,031,921
Support services		30,460,006
Noninstructional programs		504,947
Other		3,310,851
Interest on long-term debt		1,322,932
Total governmental activities		<u>99,630,657</u>
Business-type activities:		
School nutrition		3,837,098
Community education		2,484,504
Preschool regular education		162,529
Student construction		24,670
Total business-type activities		<u>6,508,801</u>
Total primary government		<u>\$ 106,139,458</u>
General revenues and transfers:		
General revenues:		
	Property taxes for general purposes	
	Property taxes for specific purposes	
	Statewide sales and services tax	
	Utility replacement tax	
	State foundation aid, unrestricted	
	Investment earnings	
	Other	
	Transfers	
	Total general revenues and transfers	
	Change in net assets	
	Net assets, beginning of year	
	Net assets, end of year	

See Notes to Basic Financial Statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 6,398,639	\$ 11,909,534	\$ -	\$ (45,723,748)	\$ -	\$ (45,723,748)
678,630	767,461	-	(29,013,915)	-	(29,013,915)
-	-	-	(504,947)	-	(504,947)
-	3,308,641	1,509,864	1,507,654	-	1,507,654
-	-	-	(1,322,932)	-	(1,322,932)
<u>7,077,269</u>	<u>15,985,636</u>	<u>1,509,864</u>	<u>(75,057,888)</u>	<u>-</u>	<u>(75,057,888)</u>
2,638,472	1,703,553	15,000	-	519,927	519,927
2,777,207	95,880	-	-	388,583	388,583
-	168,351	-	-	5,822	5,822
-	-	-	-	(24,670)	(24,670)
<u>5,415,679</u>	<u>1,967,784</u>	<u>15,000</u>	<u>-</u>	<u>889,662</u>	<u>889,662</u>
\$ 12,492,948	\$ 17,953,420	\$ 1,524,864	(75,057,888)	889,662	(74,168,226)
			45,451,883	-	45,451,883
			10,947,484	-	10,947,484
			7,579,856	-	7,579,856
			950,942	-	950,942
			28,223,794	-	28,223,794
			421,064	20,001	441,065
			49,880	-	49,880
			103,333	(103,333)	-
			<u>93,728,236</u>	<u>(83,332)</u>	<u>93,644,904</u>
			18,670,348	806,330	19,476,678
			174,232,069	3,399,169	177,631,238
			<u>\$ 192,902,417</u>	<u>\$ 4,205,499</u>	<u>\$ 197,107,916</u>



WEST DES MOINES
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West Des Moines Community School District

Balance Sheet Governmental Funds June 30, 2012

	General	Capital Projects	Nonmajor Governmental Funds	Total
Assets				
Cash, cash equivalents and investments	\$ 26,534,287	\$ 8,591,718	\$ 8,699,852	\$ 43,825,857
Restricted cash, cash equivalents and investments	-	29,539,019	-	29,539,019
Receivables:				
Property taxes	43,940,272	7,344,739	3,248,028	54,533,039
Due from other governments	1,740,225	2,127,078	-	3,867,303
Other	14,769	47,015	-	61,784
Inventories	62,518	-	-	62,518
Total assets	\$ 72,292,071	\$ 47,649,569	\$ 11,947,880	\$ 131,889,520
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,602,650	\$ 6,040,311	\$ 110,394	\$ 7,753,355
Accrued liabilities	7,643,521	-	-	7,643,521
Claims payable	-	-	525,000	525,000
Deferred revenue:				
Succeeding year property tax	43,671,464	7,303,813	3,225,757	54,201,034
Other	662,049	375,000	15,023	1,052,072
Liability for early retirement	13,500	-	890,819	904,319
Total liabilities	53,593,184	13,719,124	4,766,993	72,079,301
Fund balances				
Nonspendable, inventories	62,518	-	-	62,518
Restricted for:				
Categorical funding	1,176,520	-	-	1,176,520
Physical plant and equipment	-	21,789,643	-	21,789,643
School infrastructure	-	12,140,802	-	12,140,802
Management levy	-	-	5,876,573	5,876,573
Public education and recreation levy	-	-	332,457	332,457
Student activities	-	-	971,857	971,857
Unassigned	17,459,849	-	-	17,459,849
Total fund balances	18,698,887	33,930,445	7,180,887	59,810,219
Total liabilities and fund balances	\$ 72,292,071	\$ 47,649,569	\$ 11,947,880	\$ 131,889,520

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, 2012

Total fund balances		\$	59,810,219
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			185,149,937
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			872,190
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 are included in governmental activities in the statement of net assets:			
Other current assets	15,379,689		
Other current liabilities	<u>(3,067,056)</u>		12,312,633
Internal Service Fund allocated to business-type activities			(938,453)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Accrued interest payable	(266,350)		
Capital notes, current	(4,665,000)		
Capital notes, noncurrent	(41,275,000)		
Premium on capital notes	(700,191)		
Revenue bonds, noncurrent	(10,000,000)		
Discount on revenue bonds	101,706		
Compensated absences, current	(377,610)		
Liability for early retirement, noncurrent	(1,781,664)		
Other postemployment benefits payable	<u>(5,340,000)</u>		(64,304,109)
Net assets of governmental activities		\$	<u><u>192,902,417</u></u>

See Notes to Basic Financial Statements.

West Des Moines Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2012

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:				
Property taxes and other local sources:				
Property taxes	\$ 45,451,883	\$ 7,178,721	\$ 3,768,763	\$ 56,399,367
Statewide sales and services tax	-	7,556,656	-	7,556,656
Utility replacement	772,243	114,666	64,033	950,942
Other local sources	931,449	659,315	417,940	2,008,704
Investment earnings	261,872	101,999	57,193	421,064
Student activities	195,566	-	1,252,135	1,447,701
Intermediary sources	139,477	-	-	139,477
Tuition/transportation	4,382,779	-	-	4,382,779
State sources:				
State foundation aid	31,532,435	-	-	31,532,435
Other state sources	6,982,555	190,490	857	7,173,902
Federal sources	4,134,454	1,489,710	-	5,624,164
Total revenues	94,784,713	17,291,557	5,560,921	117,637,191
Expenditures:				
Current:				
Instruction	61,280,445	77,475	1,850,843	63,208,763
Support services:				
Student	3,288,569	-	-	3,288,569
Instructional staff	4,308,143	-	1,935	4,310,078
General administration	554,354	2,764,984	767,653	4,086,991
School building administration	4,553,847	-	-	4,553,847
Business administration	2,757,231	309,013	31,027	3,097,271
Plant operation and maintenance	6,514,196	219,142	1,371,901	8,105,239
Student transportation	3,588,019	395,335	2,345	3,985,699
Noninstructional programs	-	-	506,046	506,046
Other:				
Other	10	-	2,200	2,210
AEA support - direct to AEA	3,308,641	-	-	3,308,641
Capital outlay	-	30,064,119	-	30,064,119
Debt service:				
Principal	-	-	4,735,000	4,735,000
Interest	-	41,019	1,153,168	1,194,187
Total expenditures	90,153,455	33,871,087	10,422,118	134,446,660
Excess (deficiency) of revenues under (over) expenditures	4,631,258	(16,579,530)	(4,861,197)	(16,809,469)
Other financing sources (uses):				
Transfers in	139,356	5,000	5,964,868	6,109,224
Transfers (out)	(98,667)	(5,890,368)	(16,856)	(6,005,891)
Discount on revenue bonds issued	-	(104,788)	-	(104,788)
Issuance of revenue bonds	-	10,000,000	-	10,000,000
Proceeds from sale of capital assets	81,955	-	-	81,955
Total other financing sources (uses)	122,644	4,009,844	5,948,012	10,080,500
Net change in fund balance	4,753,902	(12,569,686)	1,086,815	(6,728,969)
Fund balances, beginning of year	13,944,985	46,500,131	6,094,072	66,539,188
Fund balances, end of year	\$ 18,698,887	\$ 33,930,445	\$ 7,180,887	\$ 59,810,219

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, 2012**

Net change in fund balances - total governmental funds	\$	(6,728,969)
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	30,140,667	
Contributed assets	20,154	
Depreciation expense by function:		
Instruction	(5,499,583)	
Support services	(1,144,087)	
Proceeds from sale of capital assets	(81,955)	
Gain on sale of capital assets	18,690	23,453,886
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Sales tax	23,200	
Tuition	390,071	
Intergovernmental	107,119	520,390
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. The issuance of long-term debt increases liabilities in the statement of net assets, while the repayment of long-term debt reduces long-term liabilities.		
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 revenue bonds	(10,000,000)	
Repayment of bond principal	4,735,000	
Discount on revenue bonds issued	104,788	
Accretion of premium	77,799	
Amortization of discount	(3,082)	
Interest	(203,462)	(5,288,957)
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.		8,400,722
Change in Internal Service Fund allocation to business-type activities.		(699,826)
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	(24,490)	
Change in liability for early retirement:		
Instruction	150,546	
Support	104,875	
Noninstructional programs	8,457	
Change in liability for other postemployment benefits:		
Instruction	(878,020)	
Support	(340,908)	
Noninstructional programs	(7,358)	(986,898)
Change in net assets of governmental activities	<u>\$</u>	<u>18,670,348</u>

See Notes to Basic Financial Statements.

West Des Moines Community School District

**Statement of Net Assets
Proprietary Funds
June 30, 2012**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Assets		
Current assets:		
Cash, cash equivalents and investments	\$ 3,060,475	\$ 14,160,355
Other receivables	13,231	1,219,334
Due from other governments	57,776	-
Inventories	78,172	-
Total current assets	3,209,654	15,379,689
Noncurrent assets:		
Capital assets:		
Land	15,000	-
Machinery and equipments	2,380,758	-
Less accumulated depreciation	(1,802,088)	-
Total noncurrent assets	593,670	-
Total assets	3,803,324	15,379,689
Liabilities		
Current liabilities:		
Accounts payable	120,696	117,722
Compensated absences	10,727	-
Claims payable	-	1,730,000
Unearned revenues	74,855	1,219,334
Total current liabilities	206,278	3,067,056
Long-term liabilities, net OPEB liability	330,000	-
Total liabilities	536,278	3,067,056
Net Assets		
Invested in capital assets	593,670	-
Unrestricted	2,673,376	12,312,633
Total net assets	\$ 3,267,046	\$ 12,312,633

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, 2012**

Total enterprise funds net assets \$ 3,267,046

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.

938,453

Net assets of business-type activities

\$ 4,205,499

See Notes to Basic Financial Statements.

West Des Moines Community School District

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds

Year Ended June 30, 2012

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
Operating revenues:		
Food sales	\$ 2,638,472	\$ -
Sale of services	2,777,207	-
Charges for services	-	12,905,914
Total operating revenues	5,415,679	12,905,914
Operating expenses:		
Salaries	3,043,116	-
Employee benefits	1,465,242	-
Purchased services	404,698	1,167,321
Food consumed	1,673,120	-
Supplies	479,694	104,202
Depreciation	98,582	-
Claims and administration	-	3,233,669
Other	6,918	-
Total operating expenses	7,171,370	4,505,192
Operating income (loss)	(1,755,691)	8,400,722
Nonoperating revenues:		
Federal food commodities	271,303	-
Federal appropriations	1,282,349	-
State appropriations	192,557	-
Interest	20,001	-
Other	221,575	-
Total nonoperating revenues	1,987,785	-
Income before contributions and transfers	232,094	8,400,722
Capital contributions	15,000	-
Transfers in	24,167	-
Transfers (out)	(127,500)	-
Loss on disposal of capital assets and assets held for resale	(37,257)	-
Change in net assets	106,504	8,400,722
Net assets, beginning of year	3,160,542	3,911,911
Net assets, end of year	\$ 3,267,046	\$ 12,312,633

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, 2012**

Net changes in net assets in enterprise funds	106,504
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.	<u>699,826</u>
Change in net assets of business-type activities	<u><u>\$ 806,330</u></u>

See Notes to Basic Financial Statements.

West Des Moines Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2012**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
Cash flows from financing activities:		
Receipts from customers and users	\$ 5,541,881	12,905,914
Payments to suppliers	(2,179,413)	(1,774,583)
Payments to employees	(4,420,917)	-
Claims paid	-	(9,883,830)
Net cash provided by (used in) operating activities	(1,058,449)	1,247,501
Cash flows from noncapital financial activities:		
Federal and state appropriations received	1,494,833	-
Payments from interfund accounts	178,480	-
(Payments to) interfund accounts	(178,480)	-
Transfers in	24,167	-
Transfers (out)	(127,500)	-
Other, local donations and grants	221,575	-
Net cash provided by noncapital financing activities	1,613,075	-
Cash flows from capital and related financing activities, purchase of capital assets	(53,175)	-
Cash flows from investing activities, interest received	20,001	-
Net increase in cash and cash equivalents	521,452	1,247,501
Cash and cash equivalents, beginning of year	2,539,023	12,912,854
Cash and cash equivalents, end of year	\$ 3,060,475	\$ 14,160,355

(Continued)

West Des Moines Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2012

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	(1,755,691)	8,400,722
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	98,582	-
Federal food commodities used	271,303	-
Loss on assets held for resale	(20,019)	-
Change in assets and liabilities:		
Receivables	(8,579)	-
Assets held for resale	168,000	-
Inventories	(6,982)	-
Accounts payable	120,696	117,722
Compensated absences	10,727	-
Claims payable	-	(7,270,943)
Unearned revenue	(13,200)	-
Net OPEB liability	76,714	-
Net cash provided by (used in) operating activities	\$ (1,058,449)	\$ 1,247,501
Schedule of noncash items:		
Noncapital financing activities, federal commodities	\$ 271,303	\$ -
Capital and related financing activities, capital assets contributed	\$ 15,000	\$ -

See Notes to Financial Statements.

West Des Moines Community School District

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2012

	<u>Flower</u>
Assets	
Cash, cash equivalents and investments	<u>\$ 657</u>
Liabilities and Fund Equity	
Due to private individuals	<u>\$ 657</u>

See Notes to Financial Statements.



WEST DES MOINES
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West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

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 2011-2012 school year was 9,050 regular and special education students. The District employs a total of 1,311 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 Statement No. 39, 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 services. Interfund services provided and used are not eliminated in the process of consolidation for these statements.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

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

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

Invested in capital assets, net of related debt: Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

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

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

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 properly included among program revenues are reported instead 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 are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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

West Des Moines Community School District

Notes to Basic Financial Statements

Year Ended June 30, 2012

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

Capital Projects Fund: Accounts for the resources used to pay for the purchase and improvement of sites, demolition work, special assessments and major building repairs, physical plant and equipment levy (PPEL) as well as the statewide sales and services tax for school infrastructure.

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 to 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.

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.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

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

The following enterprise funds of the District are considered nonmajor:

School Nutrition Fund: 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 and dental 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.

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 satisfied. The District also reports fiduciary funds which focus on net assets and changes in net assets. The fiduciary funds report on the accrual basis of accounting.

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.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

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

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 use is 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 2011 based on 2010 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.

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

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

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

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

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 retirement 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 assets except land and construction-in-progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Useful Lives
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.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

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

Deferred/Unearned revenue: Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the receivables were not available or the revenue recognition criteria has not been met.

Unearned 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, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned 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.

Compensated absences: Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No amount is expected to be liquidated with available resources as of year-end. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a current liability in the statement of net assets as vacation must be used within one year. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

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

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

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

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

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

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

Assigned: Amounts the Board of Education intend to use for specific purposes. The authority to assign fund balances has been delegated to the Chief Financial Officer.

Unassigned: All amounts not included in other spendable classifications.

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 of \$29,539,019. Net assets are reported as restricted when there are limitations imposed on their use 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 \$2,146,045 for physical plant and equipment levy, \$2,245,381 for statewide sales and services tax, \$5,876,573 for management levy and \$332,457 for public education and recreation levy. All other restricted net assets consist of \$1,176,520 for categorical funding and \$971,857 for student activities and are restricted by grantors and donors.

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.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

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.

Note 3. Cash and Cash Equivalents and Investments

The District's deposits in banks as of June 30, 2012 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.

As of June 30, 2012, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$28,559,848 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 AAAM by Standard & Poor's Rating Service.

Note 4. Interfund Balances

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

	Transfers In	Transfers Out
Major funds:		
General	\$ 139,356	\$ 98,667
Capital Projects Fund	5,000	5,890,368
Other nonmajor governmental funds	5,964,868	16,856
Other nonmajor enterprise fund	24,167	127,500
	<u>\$ 6,133,391</u>	<u>\$ 6,133,391</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 Basic Financial Statements
Year Ended June 30, 2012**

Note 4. Interfund Balances (Continued)

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. There were no individual interfund receivable and payable balances as of June 30, 2012.

Note 5. Capital Assets

Capital asset activity for the governmental activities for the year ended June 30, 2012 was as follows:

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,173,998	\$ -	\$ -	\$ 4,173,998
Construction-in-progress	13,819,509	28,911,237	10,927,674	31,803,072
Total capital assets, not being depreciated	17,993,507	28,911,237	10,927,674	35,977,070
Capital assets, being depreciated:				
Buildings and improvements	190,743,099	10,841,240	104,783	201,479,556
Machinery and equipment	11,288,031	1,336,018	675,128	11,948,921
Total capital assets, being depreciated	202,031,130	12,177,258	779,911	213,428,477
Accumulated depreciation:				
Buildings and improvements	50,220,782	5,499,583	52,991	55,667,374
Machinery and equipment	8,107,804	1,144,087	663,655	8,588,236
Total accumulated depreciation	58,328,586	6,643,670	716,646	64,255,610
Total capital assets, being depreciated, net	143,702,544	5,533,588	63,265	149,172,867
Governmental activities capital assets, net	\$ 161,696,051	\$ 34,444,825	\$ 10,990,939	\$ 185,149,937

West Des Moines Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2012**

Note 5. Capital Assets (Continued)

Capital asset activity for the business-type activities for the year ended June 30, 2012 was as follows:

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012
Business-type activities:				
Capital assets, not being depreciated, land	\$ 15,000	\$ -	\$ -	\$ 15,000
Capital assets, being depreciated, machinery and equipment	2,435,998	68,175	123,415	2,380,758
Accumulated depreciation, machinery and equipment	1,809,683	98,582	106,177	1,802,088
Total capital assets, being depreciated, net	626,315	(30,407)	17,238	578,670
Business-type activities capital assets, net	\$ 641,315	\$ (30,407)	\$ 17,238	\$ 593,670

Depreciation expense was charged to the functions as follows:

Governmental activities:	
Instruction	\$ 5,499,583
Support services	1,144,087
Total depreciation expense, governmental activities	\$ 6,643,670
Business-type activities, nutrition	\$ 98,582

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

Note 6. Long-Term Debt

The following is a summary of changes in long-term debt of the District:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Balances Due Within One Year
Governmental activities:					
Capital loan notes, Series 2010	\$ 13,850,000	\$ -	\$ 1,180,000	\$ 12,670,000	\$ 1,215,000
Capital loan notes, Series 2011	36,825,000	-	3,555,000	33,270,000	3,450,000
Premium on capital loan notes, Series 2011	777,990	-	77,799	700,191	-
Revenue bonds, Series 2012	-	10,000,000	-	10,000,000	-
Discount on Revenue bonds, Series 2012	-	(104,788)	(3,082)	(101,706)	-
Compensated absences	353,120	513,656	489,166	377,610	377,610
Net OPEB liability	4,113,714	2,190,688	964,402	5,340,000	-
Total	\$ 55,919,824	\$ 12,599,556	\$ 6,263,285	\$ 62,256,095	\$ 5,042,610
Business-type activities,					
Compensated absences	\$ -	\$ 26,817	\$ 16,090	\$ 10,727	\$ 10,727
Net OPEB liability	253,286	136,312	59,598	330,000	-
	\$ 253,286	\$ 163,129	\$ 75,688	\$ 340,727	\$ 10,727

Compensated absences are generally liquidated by the General Fund.

Net OPEB liability is generally liquidated by the General Fund for Governmental Activities and the respective funds for business-type activities.

The District's general obligation and revenue 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 2.45 percent and had an unpaid balance of \$12,670,000 as of June 30, 2012. The notes are payable from the physical plant and equipment levy fund, through 2021. The notes are not a general obligation of the District.
- On June 16, 2011, the District issued \$46,825,000 in Capital Loan notes to provide funds for District construction projects and the purchase of equipment. The notes bear interest at 2.64 percent and had an unpaid balance of \$33,270,000 as of June 30, 2012. The notes are payable from the physical plant and equipment levy fund through 2021. The notes are not a general obligation of the District.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

Note 6. Long-Term Debt (Continued)

Revenue bonds:

- On April 5, 2012, The District issued \$10,000,000 in School Infrastructure Sale, Services and Use Tax Revenue Bonds to finance school infrastructure projects. The bonds bear interest at rates ranging from 2.10 percent to 3.00 percent and had an unpaid balance of \$10,000,000. The revenue bonds will be repaid using statewide sales, services and use tax collected in the Capital Project Fund. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District. The bonds are not general obligations of the District.

The total principal and interest remaining to be paid on the bonds is \$13,502,454. During the year ended June 30, 2012, no principal or interest was paid on the bonds and statewide sales, services and use tax revenues were \$7,556,656.

The resolution providing for the issuance of the revenue bonds included the following provisions:

- All proceeds from the statewide sales, service and use tax shall be deposited into the revenue account.
- Monies in the revenue account shall first be disbursed to make deposits into the sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- Monies in the revenue account shall next be disbursed to maintain a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. At June 30, 2012, there was \$979,069 deposited in the revenue account.
- If monies in the sinking fund exceed the required amount, the excess shall be transferred to the revenue account.

West Des Moines Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2012**

Note 6. Long-Term Debt (Continued)

Annual debt service requirements on all outstanding indebtedness as of June 30, 2012, are as follows:

Year ending June 30:	Capital Loan Notes, Series 2010		
	Principal	Interest	Total
2013	\$ 1,215,000	\$ 321,515	\$ 1,536,515
2014	1,255,000	300,253	1,555,253
2015	1,290,000	272,015	1,562,015
2016	1,345,000	239,765	1,584,765
2017	1,395,000	212,192	1,607,192
2018-2021	6,170,000	469,700	6,639,700
Totals	\$ 12,670,000	\$ 1,815,440	\$ 14,485,440

Year ending June 30:	Capital Loan Notes, Series 2011		
	Principal	Interest	Total
2013	\$ 3,450,000	\$ 899,175	\$ 4,349,175
2014	3,500,000	830,175	4,330,175
2015	3,565,000	760,175	4,325,175
2016	3,615,000	688,875	4,303,875
2017	3,665,000	616,575	4,281,575
2018-2021	15,475,000	1,435,650	16,910,650
Subtotal	33,270,000	5,230,625	38,500,625
Plus unamortized premium	700,191	-	700,191
Totals	\$ 33,970,191	\$ 5,230,625	\$ 39,200,816

Year ending June 30:	Revenue Bonds, Series 2012		
	Principal	Interest	Total
2013	\$ -	\$ 188,705	\$ 188,705
2014	-	255,390	255,390
2015	-	255,390	255,390
2016	-	255,390	255,390
2017	-	255,390	255,390
2018-2022	1,000,000	1,266,450	2,266,450
2023-2027	5,380,000	863,859	6,243,859
2028-2030	3,620,000	161,880	3,781,880
Subtotal	10,000,000	3,502,454	13,502,454
Less unamortized discount	(101,706)	-	(101,706)
Totals	\$ 9,898,294	\$ 3,502,454	\$ 13,400,748

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

Note 6. Long-Term Debt (Continued)

As of June 30, 2012, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 6,390,160,958</u>
Debt limit, 5% of total assessed valuation	\$ 319,508,048
Amount of debt applicable to debt limit, total indebtedness	<u>55,940,000</u>
Excess of debt limit over debt outstanding, legal debt margin	<u>\$ 263,568,048</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 30 hours per week, or 70 percent of contract, during each of the last ten 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 ten full years of continuous service in the District; (4) have obtained the age of 55 as of June 30, 2012; (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 for certified employees or nine month employees or June 30th for all other employees.

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 \$50 per day. In addition, eligible employees will receive single District/major medical insurance capped at the 2012-2013 premiums for the District's lowest cost plan. The District's contribution to an early retirees health insurance will end the earlier of 1) six years from the retirement date, or 2) the month prior to the early retiree's 65th birthday.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

Note 7. Early Retirement (Continued)

As of June 30, 2012, the District has \$890,819 accrued in the Management Fund and \$13,500 accrued in the General Fund, as it is considered due, and an additional \$1,781,664 recorded in the government-wide financial statements. The current year cost to the District was \$980,191 which consisted of 156 participants in the plan. A summary of changes in liability for early retirement is shown as follows:

Balance, June 30, 2011	\$ 2,869,178
Additions	796,996
Reductions	980,191
Balance, June 30, 2012	<u>\$ 2,685,983</u>

Note 8. Other Postemployment 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 1152 active and 85 retired members in the plan. Participants must be age 55 or older at retirement.

The medical benefit plans are self-insured and are administered by a third-party. Retirees under age 55 pay a monthly contribution equal to the current monthly premium equivalent 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 Postemployment 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.

West Des Moines Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2012

Note 8. Other Postemployment Benefits (Continued)

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, 2012, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution, ARC	\$ 2,297,000
Interest on net OPEB obligation	197,000
Adjustment to annual required contribution	<u>(167,000)</u>
Annual OPEB cost	2,327,000
Contributions made	<u>1,024,000</u>
Increase in net OPEB obligation	1,303,000
Net OPEB obligation beginning of year	<u>4,367,000</u>
Net OPEB obligation end of year	<u><u>\$ 5,670,000</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as of 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, 2012.

For the year ended June 30, 2012, the District contributed \$1,024,000 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, 2012 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 3,201,000	51.0%	\$ 2,799,000
June 30, 2011	3,211,000	51.0%	4,367,000
June 30, 2012	2,327,000	44.0%	5,670,000

As of July 1, 2011, the most recent actuarial valuation date for the period July 1, 2011 through June 30, 2012, the actuarial accrued liability was \$18,496,000 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability, UAAL, of \$18,496,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$51,783,000, and the ratio of the UAAL to the covered payroll was 35.72 percent. As of June 30, 2012, there were no trust fund assets.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

Note 8. Other Postemployment Benefits (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. 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 basic 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.

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, 2011 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 percent discount rate based on the District's funding policy. The projected annual medical trend rate is 10 percent. The ultimate medical trend rate is 5 percent. The medical trend rate is reduced .5 percent each year until reaching the 5 percent 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, 2011.

The salary increase rate was assumed to be 3.5 percent 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, PO Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 5.38 percent of their annual salary and the District is required to contribute 8.07 percent of annual payroll. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2012, 2011 and 2010 were \$4,367,429, \$3,654,150 and \$3,482,122, respectively, equal to the required contributions for each year.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

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, prescriptions 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.

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, 2012 and 2011 are as follows:

	Self-Insurance Fund	
	2012	2011
Claims payable, beginning of year	\$ 9,000,943	\$ 6,852,443
Incurred claims (including IBNR and changes in estimates)	2,612,887	10,755,146
Claim payments	9,883,830	8,606,646
Claims payable, end of year	<u>\$ 1,730,000</u>	<u>\$ 9,000,943</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.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

Note 10. Risk Management (Continued)

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 \$300,000 per individual and an aggregate amount of \$1,000,000. Changes in the balances of claims liabilities for the year ended June 30, 2012 are as follows:

	Workers Compensation	
	2012	2011
Claims payable, beginning of year	\$ 525,000	\$ 360,000
Incurred claims (including IBNR)	464,734	483,165
Claim payments	464,734	318,165
Claims payable, end of year	<u>\$ 525,000</u>	<u>\$ 525,000</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 \$3,308,641 for the year ended June 30, 2012 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

Note 12. Contingencies

As of June 30, 2012, 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.

Note 13. Commitments and Subsequent Events

On October 24, 2012, during a special board meeting, the Board awarded contracts totaling \$25,487,773 to multiple prime contractors for Valley High School Phase III. On November 15, 2012, the Board awarded additional contract amounts as alternates to the Valley High School Phase III project totaling \$1,099,824. Therefore, \$26,587,597 in contracts were awarded after June 30, 2012.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

Note 14. New Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2012:

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, an amendment of GASB Statement No. 43 and No. 45*. This Statement was issued January 2010. This Statement addressed issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), issued July 2011. This Statement clarified that when certain conditions are met, the use of hedge accounting should not be terminated.

The adoption of these Statements had no effect on the District in the current year.

As of June 30, 2012, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the District with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnerships.

GASB Statement No 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34* issued November 2010 will be effective for the District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for governmental financial reporting entities by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the District beginning with its year ending June 30, 2013. This statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective for the District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statement in the future.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2012

Note 14. New Governmental Accounting Standards Board (GASB) Statements (continued)

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued April 2012, will be effective for the District beginning with its year ending June 30, 2014. This Statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. This Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 66, *Technical Corrections – 2012*, issued April 2012, will be effective for the District with its year ending June 30, 2014. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, issued June 2012, will be effective for the District beginning with its year ending June 30, 2015. This Statement revises existing guidance for the financial reports of most pension plans. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the District beginning with its year ending June 30, 2016. This Statement revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

The District's management has not yet determined the effect these GASB 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 Enterprise Funds

Required Supplementary Information

Year Ended June 30, 2012

	Governmental Funds - Actual	Proprietary Fund - Actual	Total Actual
Revenues:			
Local sources	\$ 73,306,690	\$ 5,672,255	\$ 78,978,945
State sources	38,706,337	192,557	38,898,894
Federal sources	5,624,164	1,553,652	7,177,816
Total revenues	117,637,191	7,418,464	125,055,655
Expenditures/expenses:			
Instruction	63,208,763	266,262	63,475,025
Support services	31,427,694	670,695	32,098,389
Noninstructional programs	506,046	6,271,670	6,777,716
Other expenditures	39,304,157	-	39,304,157
Total expenditures/expenses	134,446,660	7,208,627	141,655,287
Excess (deficiency) of revenues over (under) expenditures/expenses	(16,809,469)	209,837	(16,599,632)
Other financing sources (uses):			
Transfers in	6,109,224	24,167	6,133,391
Transfers (out)	(6,005,891)	(127,500)	(6,133,391)
Discount on revenue bonds issued	(104,788)	-	(104,788)
Issuance of revenue bonds	10,000,000	-	10,000,000
Proceeds from sale of capital assets	81,955	-	81,955
Total other financing sources (uses)	10,080,500	(103,333)	9,977,167
Net change in fund balance	(6,728,969)	106,504	(6,622,465)
Balance, beginning of year	66,539,188	3,160,542	69,699,730
Balance, end of year	\$ 59,810,219	\$ 3,267,046	\$ 63,077,265

See Note to Required Supplementary Information.

Budgeted Amounts		Final to Actual
Original	Final	Variance
\$ 78,877,040	\$ 78,877,040	\$ 101,905
39,060,908	39,060,908	(162,014)
4,475,000	4,475,000	2,702,816
122,412,948	122,412,948	2,642,707
66,845,000	66,845,000	3,369,975
31,930,000	31,930,000	(168,389)
7,230,000	7,230,000	452,284
39,545,759	39,545,759	241,602
145,550,759	145,550,759	3,895,472
(23,137,811)	(23,137,811)	(1,252,765)
34,097,215	34,097,215	(27,963,824)
(34,097,215)	(34,097,215)	27,963,824
-	-	(104,788)
-	-	10,000,000
20,000	20,000	61,955
20,000	20,000	9,957,167
(23,117,811)	(23,117,811)	8,704,402
69,699,730	69,699,730	-
\$ 46,581,919	\$ 46,581,919	\$ 8,704,402

West Des Moines Community School District

Note to Required Supplementary Information – Budgetary Reporting Year Ended June 30, 2012

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 ended June 30, 2012, expenditures in the support services function exceeded the amounts budgeted but the District did not exceed its General Fund unspent authorized budget.

West Des Moines Community School District

Required Supplementary Information

Schedule of Funding Progress for the Retiree Health Plan (In Thousands)

Year Ended June 30:	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	7/1/2007	\$ -	\$ 22,912	\$ 22,912	0.00%	\$ 50,195	45.65%
2010	7/1/2009	-	23,729	23,729	0.00%	52,689	45.04%
2011	7/1/2009	-	23,729	23,729	0.00%	52,578	45.13%
2012	7/1/2011	-	18,496	18,496	0.00%	51,783	35.72%

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, 2012

	Special Revenue				Total
	Management	Playground	Student Activity	Debt Service	
Assets					
Cash, cash equivalents and investments	\$ 7,297,957	\$ 331,847	\$ 1,070,048	\$ -	\$ 8,699,852
Receivables, property taxes	2,699,060	548,968	-	-	3,248,028
Total assets	\$ 9,997,017	\$ 880,815	\$ 1,070,048	\$ -	\$ 11,947,880
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 24,606	\$ 2,620	\$ 83,168	\$ -	\$ 110,394
Claims payable	525,000	-	-	-	525,000
Deferred revenue:					
Succeeding year property tax	2,680,019	545,738	-	-	3,225,757
Other	-	-	15,023	-	15,023
Liability for early retirement	890,819	-	-	-	890,819
Total liabilities	4,120,444	548,358	98,191	-	4,766,993
Fund balances					
Restricted	5,876,573	332,457	971,857	-	7,180,887
Total liabilities and fund balances	\$ 9,997,017	\$ 880,815	\$ 1,070,048	\$ -	\$ 11,947,880

West Des Moines Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2012

	Special Revenue				Total
	Management	Playground	Student Activity	Debt Service	
Revenues:					
Property taxes and other local sources:					
Property taxes	\$ 3,223,195	\$ 545,568	\$ -	\$ -	\$ 3,768,763
Utility replacement	54,763	9,270	-	-	64,033
Other local sources	49,143	164	368,633	-	417,940
Investment earnings	46,789	2,353	8,051	-	57,193
Student activities	-	-	1,252,135	-	1,252,135
State sources, other state sources	733	124	-	-	857
Total revenues	3,374,623	557,479	1,628,819	-	5,560,921
Expenditures:					
Current:					
Instruction	178,716	-	1,672,127	-	1,850,843
Support services:					
General administration	744,943	22,710	-	-	767,653
Business administration	-	25,137	5,890	-	31,027
Plant operating and maintenance	1,371,901	-	-	-	1,371,901
Instructional staff support services	-	1,935	-	-	1,935
Student transportation	-	2,345	-	-	2,345
Noninstructional programs	-	480,176	25,870	-	506,046
Other	-	-	-	2,200	2,200
Debt service:					
Principal	-	-	-	4,735,000	4,735,000
Interest	-	-	-	1,153,168	1,153,168
Total expenditures	2,295,560	532,303	1,703,887	5,890,368	10,422,118
Excess (deficiency) of revenues over (under) expenditures	1,079,063	25,176	(75,068)	(5,890,368)	(4,861,197)
Other financing sources (uses):					
Transfer in	-	-	74,500	5,890,368	5,964,868
Transfers out	-	(12,500)	(4,356)	-	(16,856)
	-	(12,500)	70,144	5,890,368	5,948,012
Net change in fund balances	1,079,063	12,676	(4,924)	-	1,086,815
Fund balances, beginning of year	4,797,510	319,781	976,781	-	6,094,072
Fund balances, end of year	\$ 5,876,573	\$ 332,457	\$ 971,857	\$ -	\$ 7,180,887

West Des Moines Community School District

**Schedule of Combining Balance Sheet-
Capital Projects Fund, By Account
June 30, 2012**

	Capital Projects Fund Accounts		
	Physical	Statewide	Total
	Plant and Equipment	Sales and Services Tax	
Assets			
Cash, cash equivalents and investments	\$ 2,190,674	\$ 6,401,044	\$ 8,591,718
Restricted cash, cash equivalents and investments	19,643,598	9,895,421	29,539,019
Receivables:			
Property taxes	7,344,739	-	7,344,739
Due from other governments	-	2,127,078	2,127,078
Other	-	47,015	47,015
Total assets	\$ 29,179,011	\$ 18,470,558	\$ 47,649,569
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 85,555	\$ 5,954,756	\$ 6,040,311
Deferred revenue:			
Succeeding year property tax	7,303,813	-	7,303,813
Other	-	375,000	375,000
Total liabilities	7,389,368	6,329,756	13,719,124
Fund balances			
Restricted for:			
Physical plant and equipment	21,789,643	-	21,789,643
School infrastructure	-	12,140,802	12,140,802
Total fund balances	21,789,643	12,140,802	33,930,445
Total liabilities and fund balances	\$ 29,179,011	\$ 18,470,558	\$ 47,649,569

West Des Moines Community School District

**Schedule of Combining Statement of Revenues, Expenditures
and Changes in Fund Balance-Capital Projects Fund, By Account
Year Ended June 30, 2012**

	Capital Projects Fund Accounts		
	Physical	Statewide	Total
	Plant and Equipment	Sales and Services Tax	
Revenues:			
Property taxes and other local sources:			
Property taxes	\$ 7,178,721	\$ -	\$ 7,178,721
Statewide sales and services tax	-	7,556,656	7,556,656
Utility replacement	114,666	-	114,666
Other local sources	432,027	227,288	659,315
Investment earnings	60,973	41,026	101,999
State sources, Other state sources	1,554	188,936	190,490
Federal sources	-	1,489,710	1,489,710
Total revenues	7,787,941	9,503,616	17,291,557
Expenditures:			
Current:			
Instruction	77,475	-	77,475
Support services:			
General administration	-	2,764,984	2,764,984
Business administration	259,138	49,875	309,013
Plant operation and maintenance	155,429	63,713	219,142
Student transportation	-	395,335	395,335
Capital outlay	692,956	29,371,163	30,064,119
Debt service:			
Interest	-	41,019	41,019
Total expenditures	1,184,998	32,686,089	33,871,087
Excess (deficiency) of revenues under (over) expenditures	6,602,943	(23,182,473)	(16,579,530)
Other financing sources (uses):			
Transfers in	5,000	22,000,000	22,005,000
Transfers (out)	(27,889,368)	(1,000)	(27,890,368)
Discount on revenue bonds issued	-	(104,788)	(104,788)
Issuance of revenue bonds	-	10,000,000	10,000,000
Total other financing sources (uses)	(27,884,368)	31,894,212	4,009,844
Net change in fund balance	(21,281,425)	8,711,739	(12,569,686)
Fund balances, beginning of year	43,071,068	3,429,063	46,500,131
Fund balances, end of year	\$ 21,789,643	\$ 12,140,802	\$ 33,930,445

West Des Moines Community School District

Combining Statement of Net Assets
 Nonmajor Enterprise Funds
 June 30, 2012

	School Nutrition	Community Education	Preschool Regular Education	Student Construction	Total
Assets					
Current assets:					
Cash, cash equivalents and investments	1,042,607	\$ 2,017,868	\$ -	\$ -	3,060,475
Other receivables	13,231	-	-	-	13,231
Due from other governments	50,025	-	7,751	-	57,776
Inventories	78,172	-	-	-	78,172
Total current assets	1,184,035	2,017,868	7,751	-	3,209,654
Noncurrent assets, capital assets:					
Land	-	15,000	-	-	15,000
Machinery and equipment	2,380,758	-	-	-	2,380,758
Less accumulated depreciation	(1,802,088)	-	-	-	(1,802,088)
Total noncurrent assets	578,670	15,000	-	-	593,670
Total assets	\$ 1,762,705	\$ 2,032,868	\$ 7,751	\$ -	\$ 3,803,324
Liabilities					
Current liabilities:					
Accounts payable	26,471	87,466	6,759	-	120,696
Compensated absences	10,727	-	-	-	10,727
Unearned revenue	74,855	-	-	-	74,855
Long-term liabilities, net OPEB liability	204,000	119,000	7,000	-	330,000
Total liabilities	316,053	206,466	13,759	-	536,278
Net Assets					
Invested in capital assets	578,670	15,000	-	-	593,670
Unrestricted	867,982	1,811,402	(6,008)	-	2,673,376
Total net assets	\$ 1,446,652	\$ 1,826,402	\$ (6,008)	\$ -	\$ 3,267,046

West Des Moines Community School District

Combining Statement of Revenues, Expenses and Changes in Net Assets

Nonmajor Enterprise Funds

Year Ended June 30, 2012

	School Nutrition	Community Education	Preschool Regular Education	Student Construction	Total
Operating revenues:					
Food sales	2,638,472	-	-	-	2,638,472
Sale of services	-	2,777,207	-	-	2,777,207
Total operating revenues	2,638,472	2,777,207	-	-	5,415,679
Operating expenses:					
Salaries	1,390,895	1,584,635	67,586	-	3,043,116
Employee benefits	826,297	607,739	31,206	-	1,465,242
Purchased services	178,417	150,958	70,852	4,471	404,698
Food consumed	1,673,120	-	-	-	1,673,120
Supplies	74,122	403,047	2,525	-	479,694
Depreciation	98,582	-	-	-	98,582
Other	-	3,558	3,180	180	6,918
Total operating expenses	4,241,433	2,749,937	175,349	4,651	7,171,370
Operating income (loss)	(1,602,961)	27,270	(175,349)	(4,651)	(1,755,691)
Nonoperating revenues:					
Federal food commodities	271,303	-	-	-	271,303
Federal appropriations	1,282,349	-	-	-	1,282,349
State appropriations	28,511	-	164,046	-	192,557
Interest	5,946	14,055	-	-	20,001
Other	121,390	95,880	4,305	-	221,575
Total nonoperating revenues	1,709,499	109,935	168,351	-	1,987,785
Income (loss) before contributions and transfers	106,538	137,205	(6,998)	(4,651)	232,094
Capital contributions	15,000	-	-	-	15,000
Transfers in	-	-	-	24,167	24,167
Transfers (out)	-	(124,500)	(3,000)	-	(127,500)
Loss on disposal of capital assets	(17,238)	-	-	(20,019)	(37,257)
Changes in net assets	104,300	12,705	(9,998)	(503)	106,504
Net assets, beginning	1,342,352	1,813,697	3,990	503	3,160,542
Net assets (deficit), end of year	\$ 1,446,652	\$ 1,826,402	\$ (6,008)	\$ -	\$ 3,267,046

West Des Moines Community School District

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2012

	School Nutrition	Community Education	Preschool Regular Education	Student Construction	Total
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 2,616,693	\$ 2,777,207	\$ -	\$ 147,981	\$ 5,541,881
Payments to suppliers	(1,634,867)	(470,097)	(69,798)	(4,651)	(2,179,413)
Payments to employees	(2,159,756)	(2,165,064)	(96,097)	-	(4,420,917)
Net cash provided by (used in) operating activities	(1,177,930)	142,046	(165,895)	143,330	(1,058,449)
Cash Flows From Noncapital Financing Activities:					
Federal and state appropriations received	1,319,260	-	175,573	-	1,494,833
Payments from interfund accounts	-	178,480	-	-	178,480
(Payments to) interfund accounts	-	-	(10,983)	(167,497)	(178,480)
Transfers in	-	-	-	24,167	24,167
Transfers (out)	-	(124,500)	(3,000)	-	(127,500)
Other, local donations and grants	121,390	95,880	4,305	-	221,575
Net cash provided by (used in) noncapital financing activities	1,440,650	149,860	165,895	(143,330)	1,613,075
Cash Flows From Capital and Related Financing Activities, purchases of capital assets	(53,175)	-	-	-	(53,175)
Cash Flows From Investing Activities, interest received	5,946	14,055	-	-	20,001
Net change in cash and cash equivalents	215,491	305,961	-	-	521,452
Cash and Cash Equivalents:					
Beginning of year	827,116	1,711,907	-	-	2,539,023
End of year	\$ 1,042,607	\$ 2,017,868	\$ -	\$ -	\$ 3,060,475

(Continued)

West Des Moines Community School District

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year Ended June 30, 2012

	School Nutrition	Community Education	Preschool Regular Education	Student Construction	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (1,602,961)	\$ 27,270	\$ (175,349)	\$ (4,651)	\$ (1,755,691)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	98,582	-	-	-	98,582
Federal food commodities used	271,303	-	-	-	271,303
Loss on assets held for resale	-	-	-	(20,019)	(20,019)
Change in assets and liabilities:					
Receivables	(8,579)	-	-	-	(8,579)
Assets held for resale	-	-	-	168,000	168,000
Inventories	(6,982)	-	-	-	(6,982)
Accounts payable	26,471	87,466	6,759	-	120,696
Compensated absences	10,727	-	-	-	10,727
Unearned revenue	(13,200)	-	-	-	(13,200)
Net OPEB liability	46,709	27,310	2,695	-	76,714
Net cash provided by (used in) operating activities	\$ (1,177,930)	\$ 142,046	\$ (165,895)	\$ 143,330	\$ (1,058,449)
Schedule of Noncash Items:					
Noncapital financing activities, Federal commodities	\$ 271,303	\$ -	\$ -	\$ -	\$ 271,303
Capital and related financing activities, capital assets contributed	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000

West Des Moines Community School District

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2012

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Flower Fund				
Assets, cash, cash equivalents and investments	\$ 681	\$ -	\$ 24	\$ 657
Liabilities, due to private individuals	\$ 681	\$ -	\$ 24	\$ 657

West Des Moines Community School District

Statistical Section Contents

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

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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.	67-80
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).	81-86
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.	87-96
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.	97-100
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.	101-105

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 Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 38,206,371	\$ 55,015,332	\$ 75,240,934	\$ 102,257,687
Restricted	50,293,751	37,722,387	27,986,161	12,250,659
Unrestricted	6,480,070	8,627,536	8,938,394	7,586,863
Total governmental activities net assets	\$ 94,980,192	\$ 101,365,255	\$ 112,165,489	\$ 122,095,209
Business-type activities				
Invested in capital assets, net of related debt	\$ 781,580	\$ 1,029,808	\$ 967,914	\$ 899,710
Unrestricted	1,493,948	1,349,236	1,470,852	1,727,417
Total business-type activities net assets	\$ 2,275,528	\$ 2,379,044	\$ 2,438,766	\$ 2,627,127
Primary government:				
Invested in capital assets, net of related debt	\$ 38,987,951	\$ 56,045,140	\$ 76,208,848	\$ 103,157,397
Restricted	50,293,751	37,722,387	27,986,161	12,250,659
Unrestricted	7,974,018	9,976,772	10,409,246	9,314,280
Total primary government net assets	\$ 97,255,720	\$ 103,744,299	\$ 114,604,255	\$ 124,722,336

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ 111,318,597	\$ 119,538,177	\$ 139,058,201	\$ 133,613,854	\$ 147,846,051	\$ 158,150,471	
14,597,752	17,078,354	15,883,427	21,353,146	14,014,432	12,748,833	
11,246,550	10,302,534	2,173,420	8,590,265	12,371,586	22,003,113	
\$ 137,162,899	\$ 146,919,065	\$ 157,115,048	\$ 163,557,265	\$ 174,232,069	\$ 192,902,417	
\$ 736,682	\$ 770,344	\$ 654,241	\$ 737,376	\$ 641,315	\$ 593,670	
2,032,412	2,080,283	2,127,643	2,298,336	2,757,854	3,611,829	
\$ 2,769,094	\$ 2,850,627	\$ 2,781,884	\$ 3,035,712	\$ 3,399,169	\$ 4,205,499	
\$ 112,055,279	\$ 120,308,521	\$ 139,712,442	\$ 134,351,230	\$ 148,487,366	\$ 158,744,141	
14,597,752	17,078,354	15,883,427	21,353,146	14,014,432	12,748,833	
13,278,962	12,382,817	4,301,063	10,888,601	15,129,440	25,614,942	
\$ 139,931,993	\$ 149,769,692	\$ 159,896,932	\$ 166,592,977	\$ 177,631,238	\$ 197,107,916	

West Des Moines Community School District

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

	Fiscal Year			
	2003	2004	2005	2006
Expenses:				
Governmental activities:				
Instruction	\$ 42,296,619	\$ 43,091,363	\$ 45,983,491	\$ 48,369,475
Support services	22,111,550	23,293,867	24,052,185	23,988,291
Noninstructional programs	443,210	452,045	470,095	429,508
Other	3,797,979	7,548,005	4,364,405	8,166,432
Interest on long-term debt	2,320,789	1,905,422	1,594,395	1,308,279
Total governmental activities	70,970,147	76,290,702	76,464,571	82,261,985
Business-type activities:				
Nutrition	2,819,691	2,875,927	3,237,532	3,360,467
Community education	2,196,899	2,138,390	2,184,190	2,187,360
Preschool regular education	-	-	-	106,262
Student construction	-	-	-	4,336
Total business-type activities	5,016,590	5,014,317	5,421,722	5,658,425
Total primary government expenses	75,986,737	81,305,019	81,886,293	87,920,410
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	3,966,942	4,041,320	4,041,145	4,600,966
Support services	146,998	186,330	288,278	499,453
Noninstructional programs	129,301	31,651	16,021	-
Operating grants and contributions	5,763,030	6,022,542	6,213,846	7,133,032
Capital grants and contributions	-	-	-	-
Total governmental activities	10,006,271	10,281,843	10,559,290	12,233,451
Business-type activities:				
Charges for services:				
Nutrition	2,051,983	2,219,080	2,311,625	2,423,275
Community education	2,092,751	2,149,003	2,256,705	2,410,950
Preschool regular education	-	-	-	1,560
Student construction	-	-	-	130,464
Operating grants and contributions	688,968	834,558	905,224	895,014
Capital grants and contributions	-	-	-	-
Total business-type activities	4,833,702	5,202,641	5,473,554	5,861,263
Total primary government revenues	14,839,973	15,484,484	16,032,844	18,094,714
Net (expense) revenues:				
Governmental activities	(60,963,876)	(66,008,859)	(65,905,281)	(70,028,534)
Business-type activities	(182,888)	188,324	51,832	202,838
Total primary government revenues	\$ (61,146,764)	\$ (65,820,535)	\$ (65,853,449)	\$ (69,825,696)

							Fiscal Year					
							2007	2008	2009	2010	2011	2012
\$	51,159,998	\$	59,878,678	\$	64,340,540	\$	66,474,308	\$	66,020,971	\$	64,031,921	
	28,042,111		28,015,793		28,852,848		29,193,099		28,725,290		30,460,006	
	414,066		422,971		452,155		434,290		119,681		504,947	
	2,328,250		2,967,752		3,155,688		3,456,794		3,548,218		3,310,851	
	1,034,964		798,397		545,910		265,043		357,099		1,322,932	
	82,979,389		92,083,591		97,347,141		99,823,534		98,771,259		99,630,657	
	3,795,831		3,837,138		4,139,227		4,134,856		4,051,189		3,837,098	
	2,296,115		2,279,690		2,641,371		2,368,775		2,478,636		2,484,504	
	192,271		194,719		210,280		213,536		162,440		162,529	
	-		-		80,000		56,937		53,218		24,670	
	6,284,217		6,311,547		7,070,878		6,774,104		6,745,483		6,508,801	
	89,263,606		98,395,138		104,418,019		106,597,638		105,516,742		106,139,458	
	4,377,162		4,707,977		5,910,224		6,031,974		5,656,757		6,398,639	
	-		-		-		-		-		678,630	
	-		-		-		-		-		-	
	8,494,738		9,853,839		12,116,212		16,109,619		13,977,744		15,985,636	
	-		-		-		-		-		1,509,864	
	12,871,900		14,561,816		18,026,436		22,141,593		19,634,501		24,572,769	
	2,493,675		2,581,637		2,761,252		2,763,619		2,718,971		2,638,472	
	2,620,447		2,538,740		2,918,819		2,618,972		2,589,715		2,777,207	
	-		-		-		-		-		-	
	63,688		-		-		-		-		-	
	1,111,885		1,150,607		1,355,728		1,472,831		1,657,077		1,967,784	
	-		-		-		-		-		15,000	
	6,289,695		6,270,984		7,035,799		6,855,422		6,965,763		7,398,463	
	19,161,595		20,832,800		25,062,235		28,997,015		26,600,264		31,971,232	
	(70,107,489)		(77,521,775)		(79,320,705)		(77,681,941)		(79,136,758)		(75,057,888)	
	5,478		(40,563)		(35,079)		81,318		220,280		889,662	
\$	(70,102,011)	\$	(77,562,338)	\$	(79,355,784)	\$	(77,600,623)	\$	(78,916,478)	\$	(74,168,226)	

West Des Moines Community School District

General Revenues and Total Change in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Net (expense) revenues:				
Governmental activities	\$ (60,963,876)	\$ (66,008,859)	\$ (65,905,281)	\$ (70,028,534)
Business-type activities	(182,888)	188,324	518,325	202,838
Total primary government net expense	(61,146,764)	(65,820,535)	(65,386,956)	(69,825,696)
General revenues and other changes in net assets:				
Governmental activities:				
General revenues:				
Taxes:				
Property taxes	40,093,237	41,802,072	43,601,307	44,492,182
Statewide sales and services tax	7,726,781	8,434,634	7,637,458	8,914,205
Utility replacement tax	910,625	971,146	936,159	905,019
Other local sources	247,487	349,931	419,132	283,958
State foundation aid, unrestricted	21,512,521	21,797,665	22,296,608	22,933,675
Other state sources, unrestricted	255,612	228,087	186,105	176,026
Investment earnings	2,964,898	(1,624,664)	1,447,612	1,739,251
Gain on disposal of capital assets	-	-	3,861	-
Miscellaneous	491,762	303,438	114,004	403,213
Transfers	73,925	131,613	63,269	110,725
Total governmental activities	74,276,848	72,393,922	76,705,515	79,958,254
Business-type activities:				
Other local sources	-	-	-	-
Investment earnings	17,718	12,008	17,225	65,682
Miscellaneous	175,892	34,797	53,934	30,566
Transfers	(73,925)	(131,613)	(63,269)	(110,725)
Total business-type activities	119,685	(84,808)	7,890	(14,477)
Total primary government	74,396,533	72,309,114	76,713,405	79,943,777
Change in net assets:				
Governmental activities	13,312,972	6,385,063	10,800,234	9,929,720
Business-type activities	(63,203)	103,516	59,722	188,361
Total primary government	\$ 13,249,769	\$ 6,488,579	\$ 10,859,956	\$ 10,118,081

						Fiscal Year					
2007		2008		2009		2010		2011		2012	
\$	(70,107,489)	\$	(77,521,775)	\$	(79,320,705)	\$	(77,381,941)	\$	(79,136,758)	\$	(75,057,888)
	5,478		(40,563)		(35,079)		81,318		220,280		889,662
	(70,102,011)		(77,562,338)		(79,355,784)		(77,300,623)		(78,916,478)		(74,168,226)
	47,730,903		49,505,540		51,501,548		53,550,085		56,142,287		56,399,367
	8,908,267		8,598,401		8,818,452		8,485,639		7,087,894		7,579,856
	925,977		892,235		911,443		923,850		898,786		950,942
	1,556,956		1,679,757		2,152,257		1,800,349		1,409,137		49,880
	24,031,009		24,999,763		25,330,713		18,771,477		23,888,724		28,223,794
	-		-		-		-		-		-
	1,904,767		1,596,395		665,647		497,572		359,734		421,064
	-		-		-		-		-		-
	-		-		-		-		-		-
	117,300		5,850		136,628		95,186		25,000		103,333
	85,175,179		87,277,941		89,516,688		84,124,158		89,811,562		93,728,236
	96,686		57,802		79,290		253,444		150,117		-
	94,273		70,144		23,674		14,252		18,060		20,001
	62,830		-		-		-		-		-
	(117,300)		(5,850)		(136,628)		(95,186)		(25,000)		(103,333)
	136,489		122,096		(33,664)		172,510		143,177		(83,332)
	85,311,668		87,400,037		89,483,024		84,296,668		89,954,739		93,644,904
	15,067,690		9,756,166		10,195,983		6,442,217		10,674,804		18,670,348
	141,967		81,533		(68,743)		253,828		363,457		806,330
\$	15,209,657	\$	9,837,699	\$	10,127,240	\$	6,696,045	\$	11,038,261	\$	19,476,678

West Des Moines Community School District

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2003	2004	2005	2006
General Fund:				
Reserved	\$ 161,580	\$ 113,191	\$ 117,051	\$ 137,097
Unreserved	6,156,164	7,591,840	8,558,691	9,565,091
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	6,317,744	7,705,031	8,675,742	9,702,188
All other governmental funds:				
Reserved	612,193	1,430,176	752,209	641,614
Restricted	-	-	-	-
Unreserved, reported in:				
Special revenue funds	8,027,687	6,717,845	6,328,716	4,847,589
Capital projects funds	43,387,674	31,256,681	22,400,342	7,674,328
Total all other governmental funds	52,027,554	39,404,702	29,481,267	13,163,531
Total governmental funds	\$ 58,345,298	\$ 47,109,733	\$ 38,157,009	\$ 22,865,719

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ 67,672	\$ 55,967	\$ 63,571	\$ 47,441	\$ -	\$ -	
12,703,283	13,059,705	11,550,393	10,132,152	-	-	
-	-	-	-	48,109	62,518	
-	-	-	-	-	1,176,520	
-	-	-	-	13,896,876	17,459,849	
12,770,955	13,115,672	11,613,964	10,179,593	13,944,985	18,698,887	
333,516	361,696	366,705	-	-	-	
-	-	-	-	52,594,203	41,111,332	
6,613,390	6,977,125	9,416,232	21,863,694	-	-	
8,362,370	10,414,806	6,759,589	208,286	-	-	
15,309,276	17,753,627	16,542,526	22,071,980	52,594,203	41,111,332	
\$ 28,080,231	\$ 30,869,299	\$ 28,156,490	\$ 32,251,573	\$ 66,539,188	\$ 59,810,219	

West Des Moines Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Local sources:				
Property taxes	\$ 40,093,237	\$ 41,802,072	\$ 43,601,307	\$ 44,492,182
Statewide sales and services tax	8,052,881	8,123,534	7,587,458	8,924,205
Utility replacement	910,625	971,146	936,159	905,019
Other local sources	3,294,121	3,102,763	2,887,930	3,929,720
Investment earnings (loss)	2,964,898	(1,624,664)	1,447,612	1,739,251
Student activities	1,304,348	1,362,072	1,469,563	1,174,136
Total local sources	56,620,110	53,736,923	57,930,029	61,164,513
State sources:				
State foundation aid	21,512,521	21,797,665	22,296,608	22,933,675
Other state sources	5,217,758	5,152,155	4,945,757	5,489,229
Total state sources	26,730,279	26,949,820	27,242,365	28,422,904
Federal sources	993,586	1,222,186	1,475,194	1,845,064
Total revenues	\$ 84,343,975	\$ 81,908,929	\$ 86,647,588	\$ 91,432,481

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	47,730,903	\$	49,505,540	\$	51,501,548	\$	53,550,085	\$	56,142,287	\$	56,399,367
	8,908,267		8,598,401		8,818,452		7,138,043		8,083,690		7,556,656
	925,977		892,235		911,443		923,850		898,786		950,942
	1,875,703		1,931,651		2,304,699		1,935,318		1,635,937		6,530,960
	1,904,767		1,596,395		665,647		497,572		359,734		421,064
	4,377,162		4,549,495		5,765,422		5,894,502		5,521,807		1,447,701
	65,722,779		67,073,717		69,967,211		69,939,370		72,642,241		73,306,690
	24,031,009		27,966,365		28,485,951		22,225,013		27,433,861		31,532,435
	7,210,660		4,779,621		5,956,369		5,778,341		6,765,116		7,173,902
	31,241,669		32,745,986		34,442,320		28,003,354		34,198,977		38,706,337
	1,684,078		2,107,616		3,004,605		6,877,742		3,667,491		5,624,164
\$	98,648,526	\$	101,927,319	\$	107,414,136	\$	104,820,466	\$	110,508,709	\$	117,637,191

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			
	2003	2004	2005	2006
Instruction	\$ 41,769,792	\$ 42,344,118	\$ 44,885,629	\$ 46,207,978
Support services:				
Student support services	1,938,149	2,137,215	2,216,145	2,244,901
Instructional staff support services	2,350,940	2,373,555	2,467,936	2,757,027
General administration	1,201,606	1,240,684	1,313,866	881,007
School/building administration	3,307,547	3,372,496	3,485,597	3,778,110
Business administration	2,222,219	2,452,600	2,777,644	2,901,380
Plant operation and maintenance	5,745,895	5,948,868	6,547,932	7,569,820
Student transportation	2,098,647	2,306,540	2,340,252	2,768,778
Central support	109,624	177,745	-	-
Noninstructional programs	440,522	450,142	485,630	406,229
Other	3,496,847	5,242,969	5,400,981	6,297,320
Capital outlay	11,413,868	14,640,439	16,437,967	23,785,848
Debt service:				
Principal	9,185,000	8,675,000	5,735,000	5,950,000
Interest	2,528,089	1,933,200	1,599,863	1,348,867
Bond issuance costs	-	-	-	32,275
Total expenditures	\$ 87,808,745	\$ 93,295,571	\$ 95,694,442	\$ 106,929,540
Debt service as a percentage of noncapital expenditures	15.30%	13.50%	9.30%	8.80%

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

Fiscal Year						
	2007	2008	2009	2010	2011	2012
\$	49,132,719	\$ 54,594,512	\$ 59,824,159	\$ 61,925,969	\$ 60,505,485	\$ 63,208,763
	2,540,872	2,696,984	2,914,955	2,894,430	3,084,473	3,288,569
	3,730,666	4,248,509	3,819,415	4,081,780	4,347,578	4,310,078
	2,902,980	1,843,941	1,656,342	1,748,749	1,907,523	4,086,991
	3,896,851	3,962,645	4,321,535	4,391,135	4,471,741	4,553,847
	2,669,207	2,832,788	3,033,593	3,599,677	2,987,958	3,097,271
	8,453,862	8,008,586	8,591,118	7,862,209	8,079,892	8,105,239
	3,131,766	3,152,857	3,641,335	3,468,246	3,697,114	3,985,699
	-	-	-	-	-	-
	417,925	407,431	455,637	470,486	479,502	506,046
	2,122,629	2,967,752	3,155,688	3,456,794	3,548,218	3,310,851
	8,568,049	7,605,646	12,018,829	15,124,523	19,305,367	30,064,119
	5,960,000	6,010,000	6,275,000	6,530,000	1,150,000	4,735,000
	1,057,038	821,688	571,713	291,600	294,211	1,194,187
	-	-	-	-	-	-
\$	94,584,564	\$ 99,153,339	\$ 110,279,319	\$ 115,845,598	\$ 113,859,062	\$ 134,446,660
	8.20%	7.50%	7.00%	6.80%	1.50%	5.68%

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			
	2003	2004	2005	2006
Excess (deficiency) of revenues over (under) expenditures	\$ (3,464,770)	\$ (11,386,642)	\$ (9,019,854)	\$ (15,497,059)
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	19,464	3,861	12,310
Transfers in	6,465,902	5,920,704	8,505,533	9,197,860
Transfers out	(6,391,977)	(5,789,091)	(8,442,264)	(9,087,135)
Capital loan notes issued	-	-	-	-
Premiums on bonds	-	-	-	42,734
Discounts on bonds	-	-	-	-
Revenue bonds issued	-	-	-	-
General obligation bonds issued	-	-	-	6,025,000
Payments to escrow agent to refund bonds	-	-	-	(5,985,000)
Total other financing sources (uses)	73,925	151,077	67,130	205,769
Net change in fund balances	\$ (3,390,845)	\$ (11,235,565)	\$ (8,952,724)	\$ (15,291,290)

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ 4,063,962	\$ 2,773,980	\$ (2,865,183)	\$ (11,025,132)	\$ (3,350,353)	\$ (16,809,469)	
1,033,250	9,238	15,746	25,029	9,978	81,955	
9,920,174	9,689,101	9,703,929	10,874,263	12,644,611	28,109,224	
(9,802,874)	(9,683,251)	(9,567,301)	(10,779,077)	(12,619,611)	(28,005,891)	
-	-	-	15,000,000	36,825,000	-	
-	-	-	-	777,990	-	
-	-	-	-	-	(104,788)	
-	-	-	-	-	10,000,000	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,150,550	15,088	152,374	15,120,215	37,637,968	10,080,500	
\$ 5,214,512	\$ 2,789,068	\$ (2,712,809)	\$ 4,095,083	\$ 34,287,615	\$ (6,728,969)	



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	Assessed Value					Total Assessed Value	Total Taxable Value	Total Direct Rate (a)
	Real Property	Personal Property	Railroad and Utilities Without Gas & Electric	Gas and Electric	Total			
2003	\$ 4,307,206,614	\$ 3,332,935	\$ 21,335,163	\$ 72,423,205	\$ 4,404,297,917	\$ 2,954,384,680	\$ 13.50200	
2004	4,440,819,943	-	21,090,380	72,673,765	4,534,584,088	3,095,545,757	13.50422	
2005	4,897,654,080	-	18,035,054	71,019,452	4,986,708,586	3,254,873,265	13.25020	
2006	5,019,942,550	-	19,142,992	74,676,868	5,113,762,410	3,336,798,349	13.50341	
2007	5,458,058,380	-	19,524,282	80,623,359	5,558,206,021	3,520,173,049	13.70060	
2008	5,619,764,780	-	16,896,120	87,446,791	5,724,107,691	3,644,466,820	13.70031	
2009	5,917,712,535	-	16,985,989	67,996,345	6,002,694,869	3,727,115,928	13.69179	
2010	6,054,875,121	-	17,067,588	68,453,109	6,140,395,818	3,896,794,378	13.64410	
2011	6,245,066,680	-	22,221,322	64,984,529	6,332,272,531	4,073,324,916	13.94266	
2012	6,017,878,720	-	23,181,069	69,061,377	6,110,121,166	3,979,089,714	13.89454	

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	District Direct Rates				Overlapping Rates			
	General Purposes	Capital Purposes	Debt Service	Total	County	City of Clive	City of Urbandale	City of West Des Moines
2003	\$ 9.89601	\$ 1.80500	\$ 1.80099	\$ 13.50200	\$ 9.72617	\$ 8.96811	\$ 8.97000	\$ 11.60003
2004	10.24171	1.80500	1.45751	13.50422	9.76626	8.92149	9.07000	11.60206
2005	11.23663	1.80500	0.46037	13.50200	9.96860	8.92714	9.07306	11.72777
2006	11.32466	1.80500	0.37375	13.50341	9.94718	9.11072	9.07010	11.72540
2007	11.53627	1.80500	0.35933	13.70060	10.17911	9.24927	9.07393	11.95000
2008	11.58739	1.80500	0.30792	13.70031	10.16618	9.53783	9.22000	12.04990
2009	11.58672	1.80500	0.30007	13.69179	10.69268	9.53762	9.22000	12.05000
2010	11.61960	1.80500	0.21950	13.64410	10.54212	9.53764	9.22000	12.05000
2011	12.13766	1.80500	-	13.94266	10.61771	9.53866	9.32000	12.05000
2012	12.04454	1.80500	-	13.84954				

Source: Scott County Auditor's Office.

Note:

* Includes levies for operating and debt service costs.

The District has certain restrictions on raising the property tax rate.

General Fund - the District's enrollment as well as District property value and state aid is formula calculated to determine the maximum amount of allowable funding.

Special Revenue Funds - The Special Revenue Fund, PPEL has a restriction from voters of \$1.00 and board imposed levy up to \$0.33

Overlapping Rates

City of		Special Rates for City of:				
		Area XI Community College	Clive	Urbandale	West Des Moines	Windsor Heights
\$	11.58837	\$ 0.54584	\$ 0.03742	\$ 0.41734	\$ 0.03742	\$ 0.03742
	12.35119	0.58184	0.04365	0.42528	0.04365	0.04365
	12.62510	0.59856	0.08701	0.41222	0.08701	0.08701
	12.62896	0.68048	-	0.40073	0.17530	0.17530
	12.21843	0.68688	-	0.38507	0.16805	0.16805
	12.40322	0.60276	-	0.35918	0.16848	0.16848
	14.79484	0.56386	-	0.33994	0.16550	0.16550
	13.76398	0.56778	-	0.33537	0.24131	0.24131
	13.31499	0.56008	-	0.08005	0.28411	0.28411

West Des Moines Community School District

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

Taxpayer	2012			2003		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Valley West DM	\$ 67,710,000	1	1.70%	\$ 106,992,820	1	3.46%
Mid-America Investment Company	58,830,500	2	1.48%	55,925,360	2	1.81%
IFBF Property Management	45,599,700	3	1.15%	40,174,390	3	1.30%
West Glen	44,793,770	4	1.13%			
1776 West Lakes Parkway LC	32,702,680	5	0.82%			
Water Tower Place Shopping Center LC	28,776,100	6	0.72%			
Colby West Univ Trust	25,922,000	7	0.65%	23,263,350	5	0.75%
Hy-Vee Food Store, Inc.	22,191,040	8	0.56%	20,755,630	6	0.67%
Deerfield Retirement Community Inc	21,741,780	9	0.55%			
Mercy Properties	20,032,900	10	0.50%			
Knap Family, L.C.				30,205,740	4	0.98%
CMS Wellington Apartments				20,600,800	7	0.67%
Fountain Three				18,628,050	8	0.60%
Twenty-Three Hundred Ltd.				17,621,000	9	0.57%
Carpenter Investments				16,906,750	10	0.55%
Total	\$ 368,300,470		9.26%	\$ 351,073,890		11.34%
Total taxable value	3,979,089,714			3,095,545,757		

Source: Polk County Auditor.

West Des Moines Community School District

**Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date*	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 40,283,254	\$ 40,083,520	99.50%	\$ 49,450	\$ 40,136,970	99.63%
2004	41,078,919	41,003,862	99.82%	7,731	41,011,593	99.84%
2005	42,819,960	42,773,220	99.89%	3,399	42,776,619	99.90%
2006	44,670,240	44,537,466	99.70%	4,797	44,542,263	99.91%
2007	48,962,346	48,627,453	99.31%	29,427	48,656,880	99.37%
2008	50,488,661	50,397,775	99.82%	19,186	50,416,961	99.86%
2009	52,585,141	52,443,349	99.73%	85	52,443,434	99.73%
2010	54,596,491	53,550,085	98.08%	4,796	53,554,881	98.09%
2011	56,344,110	56,142,286	99.64%	3,276	56,145,562	99.65%
2012	57,734,021	57,379,916	99.39%	8,603	57,388,518	99.40%

Source: Polk County Auditor and School District financial records.

Note: N/A = not available.

West Des Moines Community School District

**Actual Historic Sales, Services and Use Tax Collections
Last Ten 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.

Fiscal year	Dallas Co. Revenue	Polk Co. Revenue	Total Revenue
2012	\$ 79,765	\$ 7,476,891	\$ 7,556,656
2011	75,600	8,008,090	8,083,690
2010	53,267	7,084,776	7,138,043
2009	78,285	8,009,537	8,087,822
2008	83,957	8,760,395	8,844,352
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

Source: District records.

West Des Moines Community School District

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

Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Capital Loan Notes	Total	G.O. Bonds as a Percent of Actual Taxable Value of Property	G.O. Bonds Per Capita Personal Income	G.O. Bonds as a Percent of Personal Income
2003	\$ 11,640,000	\$ 33,455,000	\$ -	\$ 45,095,000	0.26%	324.67%	0.083%
2004	7,285,000	29,135,000	-	36,420,000	0.16	192.41	0.049%
2005	5,985,000	24,700,000	-	30,685,000	0.12	152.62	0.038%
2006	4,655,000	20,120,000	-	24,775,000	0.09	114.19	0.028%
2007	3,435,000	15,380,000	-	18,815,000	0.06	81.80	0.020%
2008	2,345,000	10,460,000	-	12,805,000	0.04	*	*
2009	1,190,000	5,340,000	-	6,530,000	0.03	*	*
2010	-	-	15,000,000	15,000,000	-	*	*
2011	-	-	50,675,000	50,675,000	-	*	*
2012	-	10,000,000	45,940,000	55,940,000	-	*	*

Source: District records.

* Information not available

N/A = not available.

West Des Moines Community School District

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2012
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Polk County	\$ 232,029,000	22.24%	\$ 51,603,250
City of West Des Moines	92,330,733	99.94%	92,275,335
City of Des Moines	339,395,000	0.20%	678,790
City of Clive	39,405,000	100.00%	39,405,000
City of Urbandale	55,100,000	19.61%	10,805,110
City of Windsor Heights	12,055,000	50.05%	6,033,528
Subtotal, overlapping debt	\$ 770,314,733		200,801,012
District direct debt, capital loan notes	55,940,000	100.00%	55,940,000
Total direct and overlapping debt	\$ 826,254,733		\$ 256,741,012

Source: Polk County Auditor.

Source: Treasurer of State of Iowa.

* 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.



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West Des Moines Community School District

**Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

	2003	2004	2005	2006
Debt limit	\$ 236,852,766	\$ 242,811,109	\$ 264,459,349	\$ 269,465,406
Total net debt applicable to limit	45,095,000	36,420,000	30,685,000	24,775,000
Legal debt margin	\$ 191,757,766	\$ 206,391,109	\$ 233,774,349	\$ 244,690,406
Total net debt applicable to the limit as a percentage of debt limit	19.04%	15.00%	11.60%	9.19%

Source: Polk County Auditor and District records.

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 6,390,160,958
Debt limit (5% of assessed value)	\$ 319,508,048
Debt applicable to limit	55,940,000
Legal debt margin	\$ 263,568,048

2007	2008	2009	2010	2011	2012
\$ 293,267,008	\$ 299,340,175	\$ 327,397,075	\$ 329,837,128	\$ 330,961,855	\$ 319,508,048
18,815,000	12,805,000	6,530,000	15,000,000	50,675,000	55,940,000
\$ 274,452,008	\$ 286,535,175	\$ 320,867,075	\$ 314,837,128	\$ 280,286,855	\$ 263,568,048
6.42%	4.28%	1.99%	4.55%	15.31%	17.51%

West Des Moines Community School District

Pledged Revenue Coverage

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Local Option Sales Tax Revenue Bonds					Coverage
	Revenue	Debt Service			Total	
		Principal	Interest			
2003	\$ -	\$ -	\$ -		-	0.00%
2004	6,294,949	4,320,000	1,383,475		5,703,475	1.10
2005	8,802,310	4,435,000	1,243,075		5,678,075	1.55
2006	10,160,547	4,580,000	1,065,675		5,645,675	1.80
2007	13,644,184	4,740,000	882,625		5,622,625	2.43
2008	9,783,186	4,920,000	692,875		5,612,875	1.74
2009	8,818,452	5,120,000	483,775		5,603,775	1.57
2010	12,296,701	5,340,000	246,975		5,586,975	2.20
2011	8,083,690	1,150,000	294,211		1,444,211	5.60
2012	7,579,856	4,735,000	1,194,187		5,929,187	78.22

Source: District records.

West Des Moines Community School District

**Current Statewide Receipts of the SAVE Tax - Average Per Pupil
Last Five Fiscal Years
(Unaudited)**

Fiscal Year	Statewide Disbursements (1)(2)(3)	Statewide Enrollment (Prior October Count)	Average Revenue Per Student (2)
2012	399,510,688	473,493	844
2011	379,477,155	474,227	800
2010	367,097,169	477,019	770
2009	363,690,206	480,609	757
2008	366,028,059	482,584	758

- (1) Fiscal year 2012 is preliminary, subject to change
- (2) Estimated figures for 2011 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, 2009 and 2010 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 June 30:	Total Revenues (1)	Total Enrollment	Average Per Student
2012	\$ 379,477,155	474,227	\$ 800
2013	379,477,155	474,227	800
2014	379,477,155	474,227	800
2015	379,477,155	474,227	800
2016	379,477,155	474,227	800
2017	379,477,155	474,227	800
2018	379,477,155	474,227	800
2019	379,477,155	474,227	800
2020	379,477,155	474,227	800
2021	379,477,155	474,227	800
2022	379,477,155	474,227	800
2023	379,477,155	474,227	800
2024	379,477,155	474,227	800
2025	379,477,155	474,227	800
2026	379,477,155	474,227	800
2027	379,477,155	474,227	800
2028	379,477,155	474,227	800
2029	379,477,155	474,227	800
2030	189,738,577	474,227	400

Table II: Assuming growth in statewide revenues at historical rates and enrollment changes at historic rates

Fiscal Year June 30:	Total Revenues (1)	Total Enrollment	Average Per Student
2012	\$ 387,066,698	472,816	\$ 819
2013	394,808,032	471,500	837
2014	402,704,192	470,281	856
2015	410,758,276	469,159	876
2016	418,973,442	468,134	895
2017	427,352,911	467,206	915
2018	435,899,969	466,377	935
2019	444,617,968	465,646	955
2020	453,510,328	465,015	975
2021	462,580,534	464,484	996
2022	471,832,145	464,053	1,017
2023	481,268,788	463,726	1,038
2024	490,894,163	463,501	1,059
2025	500,712,047	463,381	1,081
2026	510,726,288	463,367	1,102
2027	520,940,813	463,460	1,124
2028	531,359,630	463,663	1,146
2029	541,986,822	463,976	1,168
2030	270,993,411	463,976	584

- (1) The tax expires December 31, 2029 and schools will receive revenues for only one-half of fiscal year 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 below:

Fiscal Year June 30:	Without Growth Estimated Collection (1)(3)	With Growth Estimated Collection (2)(3)
2012	\$ 7,109,285	\$ 7,229,743
2013	7,199,694	7,480,917
2014	7,198,409	7,645,827
2015	7,196,786	7,820,985
2016	7,196,448	7,994,534
2017	7,196,448	8,170,352
2018	7,196,448	8,348,401
2019	7,196,448	8,528,642
2020	7,196,448	8,711,031
2021	7,196,448	8,857,738
2022	7,196,448	9,001,084
2023	7,196,448	9,188,672
2024	7,196,448	9,378,242
2025	7,196,448	9,569,730
2026	7,196,448	9,763,068
2027	7,196,448	9,958,182
2028	7,196,448	10,154,995
2029	7,196,448	10,353,422
2030	4,917,572	7,509,663

(1) Assumes revenue per pupil as outlined in "Grandfather Period-Per Pupil Basis-Table I" herein

(2) Assumes revenue per pupil increase as outlined in "Grandfather Period-Per Pupil Basis - Table II" herein

(3) Assumes no enrollment change from Fall 2010 enrollment (Fiscal year 2011-12 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:

Fiscal Year June 30:	Estimated Collection (1)(2)	Combined P&I	Estimated Coverage
2012	\$ -	\$ -	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-

- (1) Assumes no enrollment change from Fall 2010 enrollment (fiscal year 2011-12 enrollment)
- (2) Assumes revenue per pupil as outlined "Grandfather Period-Per Pupil Basis - Table I" 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 books:

Fiscal Year June 30:	Estimated Collection (1)(2)	Combined P&I	Estimated Coverage
2012	\$ -	\$ -	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-

(1) Assumes no enrollment change from Fall 2010 enrollment (fiscal year 2011-12 enrollment)

(2) Assumes revenue per pupil increase as outlined "Grandfather Period-Per Pupil Basis - Table II" herein

Source: District records.

West Des Moines Community School District

Demographic and Economic Statistics Last Ten Calendar Years (Unaudited)

Calendar Year	Population *	Personal Income (Thousands of Dollars)	Margin of Error (+/-)	Per Capita Personal Income (1)	Margin of Error (+/-)	Unemployment Rate (2)
2003	58,275	N/A		N/A		1.70%
2004	58,275	N/A		N/A		1.90%
2005	58,275	N/A		N/A		2.70%
2006	58,275	2,400,083	254,257	36,168	3,618	3.40%
2007	58,275	2,447,399	285,299	38,578	4,156	4.60%
2008	58,275	2,512,130	236,945	39,717	3,243	3.97%
2009	58,275	2,857,592	299,645	41,567	4,095	5.70%
2010	58,275	2,121,073	169,040	34,193	2,454	6.40%
2011	58,275	2,755,794	345,111	38,490	4,180	5.90%
2012	58,275	N/A		N/A		5.40%

* Population figures related to census taken in 2000

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

(2) Source: Iowa Workforce

N/A - Information not available

Notes: N/A = not available.

* Based on a ten-month period, January through October.

West Des Moines Community School District

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2012			2003		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wells Fargo Mortgage & Home Equity	6,534	1	12%	1,050	4	
Aviva USA	1,434	2	3%			
Wells Fargo Consumer Credit Solutions	1,285	3	2%	900	8	
West Des Moines School District	1,145	4	2%	1,165	2	
FBL Financial Group Inc.	1,048	5	2%	1,137	3	
Hy-Vee Inc.	816	6	1%	1,397	1	
ADP National Service Center	550	7	1%			
MetLife	534	8	1%			
GuideOne Insurance	493	9	1%	1,000	5	
Sammons Annuity Group	437	10	1%			
Seabury Smith				950	6	
Sears Credit Services				901	7	
Encompass Health Management Systems				525	9	
City of West Des Moines				457	10	
All other employers	41,170		74%			
Total	55,446		100%	9,482		

Sources:

West Des Moines Chamber of Commerce
Iowa Workforce Development

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			
	2003	2004	2005	2006
Administration:				
Superintendent	1.0	1.0	1.0	1.0
Principals	13.3	13.3	13.3	13.3
Assistant principals	12.0	11.0	11.0	11.0
Other	10.7	10.7	10.7	13.2
Other professionals	57.9	59.9	32.9	17.0
Total supervisory	94.9	95.9	68.9	55.5
Instruction:				
Teacher	545.8	545.3	547.6	554.9
Counselor	18.5	18.5	19.5	19.5
Title I	5.0	5.0	4.0	4.0
Librarian	10.5	10.5	10.0	10.0
Total instruction	579.8	579.3	581.1	588.4
Student services:				
Nurse	7.5	7.5	3.0	3.0
Other professionals (noninstructional)	2.0	5.3	4.8	6.1
Total student services	9.5	12.8	7.8	9.1
Support and administration:				
Clerical/secretarial	73.4	71.5	71.2	55.2
Teacher assistant	138.7	131.9	143.0	162.8
Other support personnel	167.8	161.1	203.0	208.7
Crafts/trades	23.5	27.3	17.0	15.0
Total support and administration	403.4	391.8	434.2	441.7
Total	1,087.6	1,079.8	1,092.0	1,094.7

Source: District records

Full-Time Equivalent Employees as of June 30						Percentage
2007	2008	2009	2010	2011	2012	Change
						2003 - 2012
1.0	1.0	1.0	1.0	1.0	1.0	0.0%
14.0	14.0	14.0	14.0	14.0	14.0	5.3%
10.5	10.5	10.5	10.5	10.0	11.0	-8.3%
13.0	13.5	13.5	13.5	13.0	13.0	21.5%
18.0	18.5	18.6	17.8	15.0	15.0	-74.1%
56.5	57.5	57.6	56.8	53.0	54.0	-43.1%
561.9	579.3	600.0	595.3	584.9	586.0	7.4%
19.5	19.5	19.0	19.0	19.6	19.6	5.9%
4.0	5.5	5.5	5.0	4.5	5.0	0.0%
9.5	10.0	9.5	9.5	8.5	8.0	-23.8%
594.9	614.3	634.0	628.8	617.5	618.6	6.7%
3.0	3.0	3.0	3.0	2.0	2.0	-73.3%
5.9	5.1	3.9	4.4	4.9	4.1	106.5%
8.9	8.1	6.9	7.4	6.9	6.1	-35.5%
49.0	57.7	63.9	63.3	63.3	62.9	-14.3%
202.9	211.6	220.4	202.1	180.3	192.2	38.6%
173.2	211.7	222.3	215.6	210.3	210.1	25.2%
18.4	19.4	18.0	16.0	15.0	15.0	-36.2%
443.5	500.4	524.6	497.0	468.9	480.2	19.0%
1,103.8	1,180.3	1,223.1	1,190.0	1,146.3	1,159.0	6.6%



WEST DES MOINES
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West Des Moines Community School District

Operating Statistics Last Ten Fiscal Years (Unaudited)

Fiscal Year	Dallas County	Polk County	Certified Enrollment	General Fund Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Percentage of Students Receiving Free or Reduced-Price Meals
2003	96	8,890	8,755	61,056,104	6,974	5.79%	579.8	9.30
2004	187	8,554	8,741	61,934,352	7,085	1.59	579.3	11.70
2005	143	8,430	8,573	65,523,847	7,643	7.88	581.1	12.90
2006	98	8,700	8,798	68,359,777	7,770	1.66	588.4	12.30
2007	92	8,755	8,847	72,739,399	8,221	5.80	594.9	16.60
2008	91	8,789	8,880	78,815,508	8,876	7.96	614.3	18.04
2009	85	8,757	8,842	84,710,364	9,580	7.94	634.0	20.90
2010	84	8,774	8,858	86,020,903	9,711	1.37	628.8	23.70
2011	104	8,890	8,994	87,922,521	9,776	0.67	617.5	26.44
2012	94	8,956	9,050	90,287,258	9,976	2.05%	618.6	27.59

Source: District records.

West Des Moines Community School District

School Building Information Last Ten Fiscal Years (Unaudited)

School	Fiscal Year			
	2003	2004	2005	2006
Elementary:				
Clegg Park (1957, 1970, 1989, 1991, 2012): (A)				
Square feet	41,260	41,260	41,260	41,260
Number of classrooms	14	14	14	14
Enrollment	269	261	-	-
Clive (1952, 1955, 1957, 1959, 1965, 1989, 1991, 2005):				
Square feet	67,802	67,802	67,802	67,802
Number of classrooms	21	21	21	21
Enrollment	403	426	383	426
Crestview (1961, 1966, 1969, 1976, 1991, 2009):				
Square feet	59,310	59,310	59,310	59,310
Number of classrooms	22	22	22	22
Enrollment	530	522	516	493
Crossroads Park (1977, 2010):				
Square feet	60,619	60,619	60,619	60,619
Number of classrooms	21	21	21	21
Enrollment	500	520	507	529
Fairmeadows (1957, 1962, 1976, 1987, 1992, 2006):				
Square feet	51,435	51,435	51,435	51,435
Number of classrooms	21	21	21	21
Enrollment	501	487	465	473
Hillside (2004):				
Square feet	-	-	81,222	81,222
Number of classrooms	-	-	45	45
Enrollment	-	-	575	564
Jordan Creek (1992):				
Square feet	82,000	82,000	82,000	82,000
Number of classrooms	34	34	35	35
Enrollment	756	764	770	770
Rex Mathes (1951, 1956, 1969, 1989, 1991):				
Square feet	20,600	20,600	20,600	20,600
Number of classrooms	15	15	3	3
Enrollment	288	310	-	-
Phenix (1939,, 1992):				
Square feet	36,650	36,650	36,650	36,650
Number of classrooms	10	10	10	10
Enrollment	144	155	144	165
Western Hills (1967, 1968, 1988, 1992, 2009):				
Square feet	73,689	73,689	73,689	73,689
Number of classrooms	25	25	25	25
Enrollment	417	404	414	392
Westridge (1990):				
Square feet	81,000	81,000	81,000	81,000
Number of classrooms	31	32	32	32
Enrollment	733	739	723	724

* Information not available

(Continued)

Fiscal Year						
2007	2008	2009	2010	2011	2012	
41,260	41,260	41,260	41,260	41,260	41,260	41,260
14	14	14	14	14	14	14
-	-	-	-	-	-	-
67,802	67,802	67,802	67,802	67,802	674,802	674,802
21	21	21	21	21	21	21
401	464	455	442	505	539	539
59,310	59,310	59,310	66,362	73,414	73,414	73,414
22	22	22	25	25	25	25
483	473	492	455	565	518	518
60,619	60,619	60,619	60,619	68,875	68,875	68,875
21	21	21	21	25	25	25
520	546	551	543	542	565	565
51,435	51,435	51,435	51,435	51,435	51,435	51,435
23	23	23	23	23	23	23
484	487	498	496	521	535	535
81,222	81,222	81,222	81,222	81,222	81,222	81,222
45	45	45	45	45	45	45
586	595	614	574	600	581	581
82,000	82,000	82,000	82,000	82,000	82,000	82,000
35	35	35	35	35	35	35
760	728	726	704	738	714	714
20,600	20,600	20,600	20,600	20,600	20,600	20,600
3	3	3	3	3	3	3
-	-	-	-	-	-	-
36,650	36,650	36,650	36,650	36,650	36,650	36,650
10	10	10	10	10	10	10
160	158	139	119	128	143	143
73,689	73,689	74,755	74,755	74,755	74,755	74,755
25	25	27	27	27	27	27
403	477	505	515	571	585	585
81,000	81,000	81,000	81,000	81,000	81,000	81,000
32	32	32	32	32	32	32
709	686	671	623	660	662	662

West Des Moines Community School District

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

School	Fiscal Year		
	2003	2004	2005
Middle:			
Indian Hills (1977,1992):			
Square feet	115,074	115,074	115,074
Number of classrooms	45	45	45
Enrollment	662	632	638
Stilwell (1960, 1962, 1968, 1984, 1988, 1992, 2002, 2010, 2012):			
Square feet	95,520	95,520	95,520
Number of classrooms	42	42	42
Enrollment	735	753	665
High:			
Valley Southwoods Freshman (1999):			
Square feet	162,500	162,500	162,500
Number of classrooms	44	44	44
Enrollment	611	683	696
Valley (1964, 1967, 1969, 1970, 1989, 1992, 2005, 2012):			
Square feet	*	*	310,196
Number of classrooms	101	101	101
Enrollment	1,749	1,793	1,823
Other:			
Walnut Creek Campus 8th Street (1999): (B)			
Square feet	18,052	18,052	18,052
Number of classrooms	16	16	16
Enrollment	172	188	182

* Information not available

Source: District record (Reflects Students served as of October 1st of each school year)

(A) - Clegg Park was repurposed as the Alternative High School effective August 21, 2012 and renamed the New Walnut Creek Campus.

(B) - Walnut Creek Campus on 8th Street ceased to function as a school building effective August 21, 2012 and is vacant.

Fiscal Year						
2006	2007	2008	2009	2010	2011	
115,074	115,074	115,074	115,074	115,074	115,074	115,074
45	45	45	45	45	45	45
637	622	617	623	595	640	640
95,520	95,520	95,520	95,520	95,520	95,520	95,520
42	42	42	42	42	42	42
711	745	706	689	694	742	742
162,500	162,500	162,500	162,500	162,500	162,500	162,500
44	44	44	44	44	44	44
650	685	725	704	629	704	704
310,196	312,599	312,599	345,437	345,437	345,437	345,437
101	107	107	107	107	107	107
1,859	1,890	1,870	1,895	1,784	1,964	1,964
18,052	18,052	18,052	18,052	18,052	18,052	18,052
16	16	16	16	16	16	16
171	158	171	173	153	139	139



WEST DES MOINES
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West Des Moines Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
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	77-1737	\$ 146,181
National School Lunch Program	10.555	77-1737	1,062,837
Commodities-Noncash, Department of Defense	10.555	77-1737	57,464
Commodities-Noncash	10.555	77-1737	213,839
Summer Food Service Program for Children	10.559	77-1737	61,074
Total nutrition cluster			<u>1,541,395</u>
BASICS Grant	10.561	FY 12 4671	4,075
Fresh Fruit and Vegetable Grant	10.582	FY 12 4557	8,182
Total U.S. Department of Agriculture			<u>1,553,652</u>
U.S. Department of Labor			
Direct Program: ARRA - Cobra Subsidy	17.151	N/A	<u>1,228</u>
U.S. Department of Education			
Direct Program: Foreign Language Assistance	84.293B	T293B070100	<u>358,433</u>
<i>Passed Through State of Iowa Department of Education:</i>			
Title I - Grants to Local Educational Agencies	84.010A	42-6004525	495,399
Special Education - Grants to States	84.027	42-6004525	71,603
Vocational Education Basic Grants to States - Carl Perkins Basic Grant	84.048A	42-6004525	76,700
Iowa Demonstration Construction Grant	84.215	42-6004525	72,711
Title IID Enhancing Education through Technology Advanced Placement Program	84.310	42-6004525	3,858
	84.330	42-6004525	694
Title II - Improving Teacher Quality State Grant	84.367	42-6004525	176,343
Grants for State Assessments and Related Activities	84.369	42-6004525	57,614
ARRA- Education Jobs Bill	84.410	42-6004525	1,608,204
			<u>2,563,126</u>
<i>Passed Through Parental Assistance Centers:</i>			
Title IID Enhancing Education through Technology	84.310	N/A	<u>8,102</u>
<i>Passed Through Heartland Area Education Agency:</i>			
Special Education-Grants to States	84.027	N/A	511,730
Title III English Language Acquisition	84.365	N/A	10,476
			<u>522,206</u>
Total U.S. Department of Education			<u>3,451,867</u>

(Continued)

West Des Moines Community School District

**Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2012**

U.S. Department of Health and Human Services

Passed Through Drake University:

Head Start	93.600	42-0680460	6,489
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Passed Through State of Iowa Department of Health and Human Services:

Child Care and Development Block Grant	93.575	42-6004568	<u>2,528</u>
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Total U.S. Department of Health and Human Services			<u><u>9,017</u></u>
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U.S. Department of Homeland Security

Passed Through Iowa Department of Public Defense:

FEMA Hazard Mitigation Grant	97.039	DR-1880-0003 01	<u>1,416,999</u>
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Total expenditures of federal awards			<u><u>\$ 6,432,763</u></u>
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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, 2012

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, 2012. 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.

West Des Moines Community School District

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2012

Findings	Status	Corrective Action Plan or Other Explanation
Other Findings Related to Required Statutory Reporting:		
IV-F-11 Board meeting minutes were not published timely.	Corrected	
IV-G-11 The District's certified enrollment was overstated.	Corrected	

**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, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 9, 2012. 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

Management of West Des Moines Community School District is responsible for establishing and maintaining effective 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 an 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.

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 a 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2012 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.

We noted certain matters that we reported to management of the District in a separate letter dated November 9, 2012.

This report is intended solely for the information and use of management, the Board of Education, others within the District, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bohnsack & Frommelt LLP

Overland Park, Kansas
November 9, 2012

**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 OMB Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of independent auditor's results section of the accompanying schedule of findings and questioned costs. 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 Nonprofit 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.

As described in items 12-III-B and 12-III-C in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding period of availability and allowable costs that are applicable to its Foreign Languages Assistance CFDA 84.293B major program. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2012.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine the 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 that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 12-III-A. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of management, the Board of Education, others within the District, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bohnsack & Frommelt LLP

Overland Park, Kansas
November 9, 2012

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2012**

Part I: Summary of the Independent Auditor's Results

- a) An unqualified opinion was issued on the financial statements.
- b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- c) The audit did not disclose any noncompliance which is material to the financial statements.
- d) A significant deficiency over internal control over major programs is identified by the audit of the financial statements.
- e) Type of auditor's reports issued on compliance for each major program:
 - a. CFDA 84.293B Foreign Language Assistance Qualified
 - b. CFDA 84.410 ARRA-Education Jobs Bill Unqualified
 - c. CFDA 97.039 FEMA Hazard Mitigation Grant Unqualified
- f) The audit disclosed audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- g) Major programs were as follows:

CFDA 84.293B	Foreign Language Assistance
CFDA 84.410	ARRA-Education Jobs Bill
CFDA 97.039	FEMA Hazard Mitigation Grant
- h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- i) West Des Moines Community School District did not qualify as a low-risk auditee.

(Continued)

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2012**

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

Significant Deficiency over Federal Awards:

12-III-A

**U.S. Department of Education
Passed Through Iowa Department of Education
ARRA-Education Jobs Fund (CFDA 84.410)
Federal Award Year 2012**

**Foreign Languages Assistance (Direct) (CFDA 84.293B)
Federal Award Year 2012**

Finding: The District does not have adequate documentation to support payroll costs of the program.

Criteria: The Office of Management and Budget (OMB) Circular A-87 requires the following:

- When an employee works on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports. The personnel activity reports must reflect after the fact distribution of the actual activity of the employee, account for the total activity for which the employee is compensated, be prepared at least monthly and coincide with one or more pay periods, and signed by the employee.
- When an employee works solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. The certifications must be prepared at least semi-annually and will be signed by the employee.

Condition: The District does not have the semi-annual certifications or employee signed documents that state the federal award the employee worked on for the employees that work 100% on a single federal award program. The District does not have employee signed timesheets to support the split-funded allocations.

Context: There were 27 teachers in the ARRA-Education Jobs Program and 5 teachers in the Foreign Language Assistance Program.

West Des Moines Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2012

Effect: The District is not in compliance with the allowable costs/cost principles requirement of OMB Circular A-87.

Cause: The District currently does not have a process in place for signed certifications for fully funded employees. Split-funded employees are based on budgeted percentages using an estimate of the employee time; however, timesheets are not prepared to support the percentages. The District was unaware of this requirement.

Recommendation: We recommend the District require timesheets that include the requirements of OMB Circular A-87 for split-funded employees and that the split-funded employees are charged to programs based on the personnel activity reports. For fully-funded employees, we recommend semi-annually requiring employees to sign a certification of the federal award they are being paid from.

Response and Corrective Action Plan: The District does have an established compliance system for OMB Circular A-87 for its Title I program, only. The District will implement an OMB Circular A-87 compliance system for all of its federally funded programs. The District is also working with Heartland AEA who has already established an electronic OMB Circular A-87 compliance system through their general ledger system which is the same general ledger system the District uses.

Compliance Findings:

12-III-B

U.S. Department of Education

Foreign Languages Assistance (Direct) (CFDA 84.293B)

Federal Award Year 2012

Finding: The District incurred expenditures for the program after the period of availability had expired.

Criteria: The grant award performance period is May 15, 2007 through May 14, 2012. The District incurred \$60,292 of expenditures after May 14, 2012 for the Chinese program and \$20,823 of expenditures after May 14, 2012 for the Spanish program.

Condition: The District charged expenditures to the program for the fiscal year activities; however, the program specifically requires compliance with the budget period and performance period of the grant award.

Questioned Costs: \$81,115

Context: The District expended \$358,433 for the program in the current fiscal year. Of that amount, approximately \$81,115 was obligated after the May 14, 2012 expiration.

Effect: The District is not in compliance with the period of availability requirements of Office of Management and Budget *Compliance Supplement*.

Cause: The District has experienced retirement turnover in the project administrator position.

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2012**

Recommendation: We recommend the District implement a standard form that requires reconciliation of the general ledger system which processes all revenues and expenditures to the grant award and grant performance reporting periods by each project administrator.

Response and Corrective Action Plan: The District will implement a system that ensures grant reporting does reconcile to the general ledger prior to the submission of the report as well as compliance with financial requirements of the grant.

12-III-C

U.S. Department of Education

Foreign Languages Assistance (Direct) (CFDA 84.293B)

Federal Award Year 2012

Finding: The District incurred expenditures for the program in excess of the grantor approved budget. In addition, the indirect cost was charged to the program based on budget and the computation could not be located.

Criteria: The grant award for the Chinese Language Program had \$19,000 budgeted for travel and \$20,000 budgeted for equipment and supplies. The District's total approved budget for the program was \$222,600. The Indirect cost was not supported by the records of the District.

Condition: The District expended approximately \$51,000 and \$74,000, respectively for travel and for equipment and supplies. The District charged the program \$9,151 for indirect cost and could not substantiate the amount.

Questioned Costs: \$76,849

Context: The approved budget of the Chinese Language Program was \$222,600. Of that amount, approximately 18% was for travel, equipment, and supplies. The District has expended approximately 56% of the budgeted amount for these line items. Total indirect costs were \$9,151.

Effect: The District is not in compliance with the allowable costs requirements of Office of Management and Budget *Compliance Supplement*.

Cause: The District has experienced retirement turnover in the project administrator position.

Recommendation: We recommend the District implement a standard form that requires reconciliation of the general ledger system which processes all revenues and expenditures to the approved grant award line item budget to demonstrate compliance with program agreements.

Response and Corrective Action Plan: The District will implement a system that ensures grant reporting does reconcile to the general ledger prior to the submission of the report as well as compliance with financial requirements of the grant.

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2012**

Part IV: Other Findings Related to Statutory Reporting

IV-A-12 - Certified Budget:

Finding: Expenditures for the year ended June 30, 2012 exceeded the certified budget amount in the support services function.

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

Response: Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion: Response accepted.

IV-B-12 - Questionable Expenditures: There were no expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-12 - 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-12 - Business Transactions: No business transactions between the District and District officials or employees were noted.

IV-E-12 - Bond Coverage: Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-F-12 - Board Minutes: No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-12 - Certified Enrollment: No variances in the basic enrollment data certified to the Department of Education were noted.

IV-H-12 - Supplementary Weighting: The District identified variances regarding supplementary weighting for Spring 2012. As a result, the District has informed the Iowa Department of Education. No variances regarding the supplementary weighting certified October 2011 to the Iowa Department of Education were noted.

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

IV-J-12 - Certified Annual Report: The certified annual report was certified timely to the Iowa Department of Education.

(Continued)

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2012**

IV-K-12 - Categorical Funding: No instances of categorical funding being used to supplant rather than supplement other funds were noted.

IV-L-12 - 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 revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2012, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	3,429,063
Revenues/transfers in:			
Statewide sales and services tax revenue	\$	7,556,656	
Investment earnings		41,026	
Other local sources		227,288	
State sources		188,936	
Federal sources		1,489,710	
Issuance of long-term debt		9,895,212	
Physical plant and equipment for capital projects		<u>22,000,000</u>	41,398,828
Expenditures/transfers out:			
Support services		3,273,907	
Debt service, interest		41,019	
Transfers out		1,000	
School infrastructure:			
Buildings		28,911,237	
Equipment		<u>459,926</u>	<u>32,687,089</u>
Ending balance			<u><u>\$ 12,140,802</u></u>

For the year ended June 30, 2012, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

West Des Moines Community School District

Corrective Action Plan

Year Ended June 30, 2012

	Findings	Corrective Action Plan	Anticipated Date of Completion
Significant Deficiency over Federal Awards:			
12-III-A	The District does not have adequate documentation to support federal program payroll costs.	See response and corrective action plan at 12-III-A	Fiscal Year 2013-Paul Bobek
Compliance Findings over Federal Awards:			
12-III-B	The District incurred expenditures for a federal program after the period of availability had expired.	See response and corrective action plan at 12-III-B	Fiscal Year 2013-Paul Bobek
12-III-C	The District incurred expenditures for the program in excess of the grantor approved budget and indirect costs were not supported.	See response and corrective action plan at 12-III-C	Fiscal Year 2013-Paul Bobek
Other Findings Related to Required Statutory Reporting:			
IV-A-12	Expenditures exceeded the certified budget amount in the support services function.	See response at IV-A-12	Fiscal Year 2013-Paul Bobek



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