



COMPREHENSIVE ANNUAL FINANCIAL REPORT

West Des Moines Community Schools
3550 Mills Civic Pkwy.
West Des Moines, IA 50265

For the Fiscal Year Ended
June 30, 2013



Comprehensive Annual Financial Report of the

West Des Moines Community School District
West Des Moines, Iowa

For the Fiscal Year Ended June 30, 2013

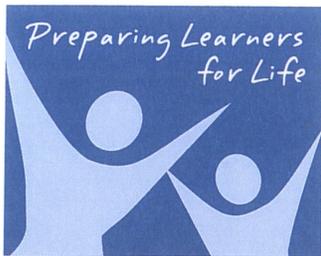
Official Issuing Report
Paul Bobek, CPA, Chief Financial Officer

Office Issuing Report
Administrative Services Division

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WEST DES MOINES
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SCHOOLS

Dr. Lisa Remy,
Interim Superintendent

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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 11, 2013

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, 2013. 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.

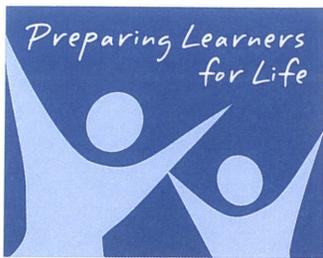
As you review the information included in this report, please be sure to contact us if you have any questions or suggestions. Our focus is upon the learning needs of all of our students. With your help and support, we will continue to be an excellent system of schools. We can all take pride in the outstanding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

Sincerely,

Lisa Remy, Ed.D.
Interim Superintendent



WEST DES MOINES
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S C H O O L S



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November 15, 2013

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, 2013 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.

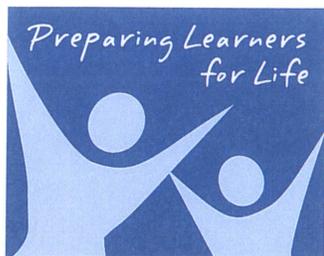
This report includes all funds of the West Des Moines Community School District. The District provides a full range of programs and services including instructional; administrative; transportation; food service; maintenance of sites and facilities; custodial; clerical; extra, co-curricular and athletic 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 2013.

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.

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The West Des Moines Community School District serves more than 58,000 people who live in the western portion of Polk County-West Des Moines, Clive, parts of Urbandale and Windsor Heights and nearby rural areas. Covering 36.6 square miles, the District has grown up around a former railroad center, Valley Junction, and the farmland north and south of the Raccoon River. The District experienced rapid growth up until the fall of 1975 when enrollment reached 6,726 students. Enrollment gradually declined to 5,825 students in the fall of 1982, but increased annually (except for September 1999) through September 2002, to 8,776 students. Enrollment declined more than 200 students during fiscal years 2004 and 2005, but it has increased for each of the past eight years, to 9102 students in fiscal year 2013.

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 at an average annual rate of over 4% over the past 15 years. In fiscal year 2013, the increase was 1.8%.

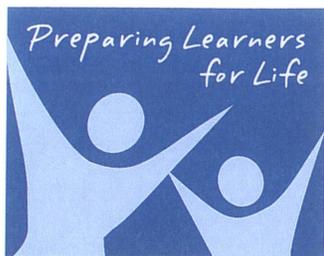
The tax base is expected to grow more slowly in the next five years, and student enrollment is expected to be fairly stable over the same period.

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 was approved in March 2010.

The 2012-13 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."



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Remodeling began at Westridge Elementary and the Learning Resource Center in 2013 and it was completed in the late summer of 2013. In spring 2011 construction began at Valley High School for the next phase of remodeling work. In November 2012, contracts were awarded totaling approximately \$26.7 million for the final phase of work at Valley High School. Completion of this project is expected in October 2014.

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 2012-13 School Year

Another successful year for the Valley High School athletic teams and students in the 2012-13 school year. Valley has four conference championships and five 2nd place finishes in the new CIC format. Thirteen different teams qualified for their respective state meets. Cheerleading won their sixth title in a row.

The Valley Tigers had 55 students named All-Conference and 38 individuals were named All-State. Two different students were named Player of the Year in their sport and twelve students won State Championships.

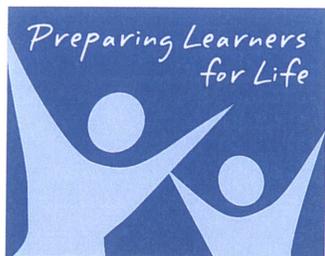
Valley High School continues to lead in the classroom with a GPA Average of 3.2 for all students involved in athletics and some sports were as high as a 3.6 for the team.

Valley High School continues to be represented by students, coaches, teachers and fans dedicated to high expectations and the pursuit of excellence in the classroom and the playing fields.

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 not absolute, assurances that these objectives are met. The concept of reasonable recognizes that the cost of a control should not exceed the benefits likely to be derived. 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.



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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, 2013 noted no 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 the functional 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.

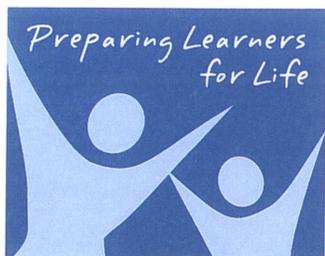
As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The District did deficit spend in fiscal year end 2013 according to plan and utilized reserves to finance this deficit. The District also expects to deficit spend again in fiscal year end 2014 and is utilizing the Tregoe process to assist in budget reduction planned for fiscal years ending 2015 and 2016.

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. The 2013 Legislative session changed the term "allowable growth" to "supplemental state aid" beginning with fiscal year ending June 30, 2015.

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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.

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, 2012. 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-six 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-seven 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,

Lisa Remy, Ed.D.
Interim Superintendent

Paul Bobek, CPA
Chief Financial Officer

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West Des Moines Community School District

**Board of Education
Year Ended June 30, 2013**

	Title	Term/Contract Expires
Elizabeth Brennan	President	September 2013
Mark Lagomarcino	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
Milton Cole-Duvall	Board Member	September 2015

West Des Moines Community School District

District Administration Year Ended June 30, 2013

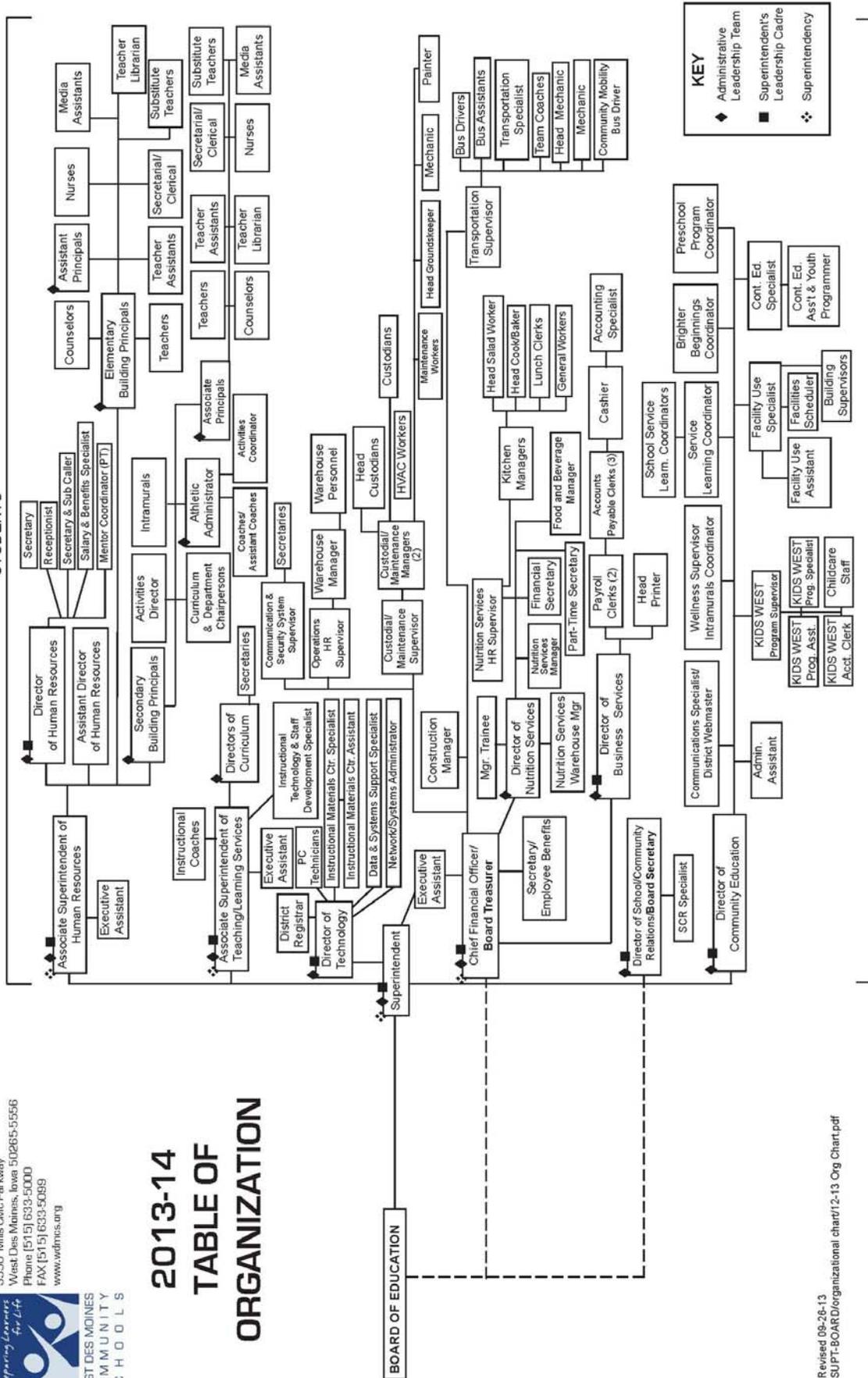
Dr. Peter Ansingh	Superintendent
Dr. Laurene Lanich	Associate Superintendent of Teaching and Learning
Dr. Lisa Remy	Associate Superintendent of Human Resources
Dr. Lori Diebel	Director of Human Resources
Janelle Green	Assistant Director Human Resources/ Director of Curriculum
Paul Bobek, CPA	Chief Financial Officer
Donna Gregory	Director of Finance
Shane Scott	Director of Curriculum and Instruction
Steph Wilson	Director of Curriculum
Shahna Janssen	Director of Community 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
Graham Jones	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

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2013-14 TABLE OF ORGANIZATION

STUDENTS



KEY

- ◆ Administrative Leadership Team
- Superintendent's Leadership Cadre
- ❖ Superintendency

LEARNERS



Government Finance Officers Association

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, 2012

Executive Director/CEO

Association of School Business Officials International



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

West Des Moines Community School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

Independent Auditor's Report

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the West Des Moines Community School District, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of Matter

As discussed in Note 14 to the basic financial statements, the District adopted Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended June 30, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress, and budgetary comparison information, on pages 4–14 and 54–57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the other information, including the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Overland Park, Kansas
October 18, 2013



WEST DES MOINES
COMMUNITY
S C H O O L S

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2013

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 position of \$3,648,750 and \$19,476,678 during the years ended June 30, 2013 and 2012, respectively.

Total revenues for the fiscal year ended June 30, 2013 and 2012 of \$122,684,279 and \$125,616,136 were comprised of general revenues in the amount of \$92,044,905 and \$93,644,904 and program revenues totaling \$30,639,374 and \$31,971,232, respectively.

As of June 30, 2013, the District's governmental funds reported combined ending fund balances of \$31,672,631, a decrease of \$28,137,588 in comparison with 2012. 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, \$12,612,368 represents unassigned fund balance.

As of June 30, 2013, unassigned fund balance of the General Fund was \$14,424,333 or 15.3 percent of total General Fund expenditures and \$17,459,849 or 19.4 percent for 2012.

The West Des Moines Community School District's total long-term debt decreased by \$4,736,635 during fiscal year ended June 30, 2013 and increased by \$5,085,495 during fiscal year ended June 30, 2012. The decrease in 2013 is due to scheduled payments. 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, 2013

The statement of net position presents information on all of West Des Moines Community School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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, 2013

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 19 through 22 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 three 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 23 through 28 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 29 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 54 through 57 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, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's total net position has increased from a year ago from \$197,107,916 to \$200,756,666.

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Current and other assets	\$ 124,116,816	\$ 146,330,756	\$ 4,130,142	\$ 4,148,107	\$ 128,246,958	\$ 150,478,863
Capital assets	209,862,130	185,149,937	2,130,339	593,670	211,992,469	185,743,607
Total assets	333,978,946	331,480,693	6,260,481	4,741,777	340,239,427	336,222,470
Noncurrent liabilities	54,998,558	58,995,149	404,647	330,000	55,403,205	59,325,149
Other liabilities	28,538,273	25,382,093	305,860	206,278	28,844,133	25,588,371
Total liabilities	83,536,831	84,377,242	710,507	536,278	84,247,338	84,913,520
Deferred inflows of resources	55,235,423	54,201,034	-	-	55,235,423	54,201,034
Net position:						
Net investment in capital assets	162,317,475	158,150,471	2,130,339	593,670	164,447,814	158,744,141
Restricted	17,384,787	12,748,833	-	-	17,384,787	12,748,833
Unrestricted	15,504,430	22,003,113	3,419,635	3,611,829	18,924,065	25,614,942
Total net position	\$ 195,206,692	\$ 192,902,417	\$ 5,549,974	\$ 4,205,499	\$ 200,756,666	\$ 197,107,916

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 investment in capital assets-net position was \$164,447,814 for 2013 and \$158,744,141 for 2012. 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 position (8.6 percent for 2013 and 6.5 percent for 2012) represents resources that are subject to external restrictions on how they may be used. These restrictions for 2013 include \$8,345,318 for physical plant and equipment levy, \$150,712 for statewide sales and services tax, \$6,332,913 for management levy, and \$308,550 for public education and recreation levy. The remaining balance of unrestricted net position, \$18,924,065 for 2013 and \$25,614,942, 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 position. The same situation held true for the prior fiscal year.

The District's total net position increased by \$3,648,750 during the current fiscal year as compared to \$19,476,678 in 2012. The governmental activities net position increased by \$2,304,275 in 2013 and \$18,670,348 in 2012. The business-type activities, which include nutrition, community education, and preschool regular education increased by \$1,344,475 in 2013 and \$806,330 in 2012.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2013 and 2012. This table utilizes the full accrual method of accounting. Revenues less expenses yielded the change in

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2013

net position. 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, and preschool regular education.

Table 2 - Program Revenues and Expenses

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Revenues:						
Program revenues:						
Charges for service and sales	\$ 8,842,744	\$ 7,077,269	\$ 5,235,032	\$ 5,415,679	\$ 14,077,776	\$ 12,492,948
Operating grants and contributions	12,830,255	15,985,636	1,937,963	1,967,784	14,768,218	17,953,420
Capital grants and contributions	118,493	1,509,864	1,674,887	15,000	1,793,380	1,524,864
General revenues:						
Property taxes and other taxes	61,740,661	64,930,165	-	-	61,740,661	64,930,165
Other local sources	-	49,880	-	-	-	49,880
State sources	30,002,209	28,223,794	-	-	30,002,209	28,223,794
Investment earnings	289,536	421,064	12,499	20,001	302,035	441,065
Total revenues	113,823,898	118,197,672	8,860,381	7,418,464	122,684,279	125,616,136
Program expenses:						
Instruction	72,787,048	64,031,921	-	-	72,787,048	64,031,921
Support services	33,543,019	30,460,006	-	-	33,543,019	30,460,006
Noninstructional programs	514,568	504,947	-	-	514,568	504,947
Other	3,414,456	3,310,851	-	-	3,414,456	3,310,851
Interest on long-term debt	1,387,760	1,322,932	-	-	1,387,760	1,322,932
School nutrition	-	-	4,412,926	3,837,098	4,412,926	3,837,098
Community education	-	-	2,801,078	2,484,504	2,801,078	2,484,504
Preschool regular education	-	-	174,674	162,529	174,674	162,529
Student construction	-	-	-	24,670	-	24,670
Total expenses	111,646,851	99,630,657	7,388,678	6,508,801	119,035,529	106,139,458
Excess of revenues over expenses before transfers						
	2,177,047	18,567,015	1,471,703	909,663	3,648,750	19,476,678
Transfers	127,228	103,333	(127,228)	(103,333)	-	-
Increase in net position	2,304,275	18,670,348	1,344,475	806,330	3,648,750	19,476,678
Net position, beginning	192,902,417	174,232,069	4,205,499	3,399,169	197,107,916	177,631,238
Net position, ending	\$ 195,206,692	\$ 192,902,417	\$ 5,549,974	\$ 4,205,499	\$ 200,756,666	\$ 197,107,916

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2013

GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$113,823,898 and expenses were \$111,646,851. 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 54.2 percent and 26.3 percent, respectively, of total revenues. Instruction constitutes the largest portion of expenditures at \$72,787,048 or 65.1 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, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Instruction	\$ 72,787,048	\$ 64,031,921	\$ 56,191,144	\$ 45,723,748
Support services	33,543,019	30,460,006	31,760,387	29,013,915
Noninstructional programs	514,568	504,947	514,568	504,947
Other	3,414,456	3,310,851	1,500	(1,507,654)
Interest on long-term debt	1,387,760	1,322,932	1,387,760	1,322,932
School nutrition	4,412,926	3,837,098	(1,452,991)	(519,927)
Community education	2,801,078	2,484,504	540	(388,583)
Preschool regular education	174,674	162,529	(6,753)	(5,822)
Student construction	-	24,670	-	24,670
Total expenses	\$ 119,035,529	\$ 106,139,458	\$ 88,396,155	\$ 74,168,226

Net cost of services is 74.2 percent of total cost of services in 2013 and 69.8 percent in 2012. The cost of governmental activities financed by users of the District's programs was \$8,842,744 for 2012 and \$7,077,269 for 2012. Federal and state governments subsidized certain programs with grants and contributions totaling \$12,948,748 for 2013 and \$17,495,500 for 2012. 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, 2013

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 position of \$1,318,408 for fiscal year 2013 primarily due to capital assets contributed to the fund.
- The primary source of revenue for the Community Education fund is sales of services for educational programs. The Community Education fund had a negative change in net position of \$204,782.

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 \$31,672,631, a decrease of \$28,137,588 in comparison with the prior year fund balance of \$59,810,219. Approximately 39.8 percent or \$12,612,368 for 2013 and 29 percent for 2012, constitutes unassigned fund balance, which is available for spending at the government's discretion. The majority of the remaining fund balance for 2013 is restricted to indicate that it is not available for new spending because it has already been restricted for other purposes, \$17,234,075. The District committed \$1,770,000 of fund balance for curriculum as of June 30, 2013.

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 \$14,424,333 for 2013 and \$17,459,849 for 2012, while total fund balance reached \$17,551,528 for 2013 and \$18,698,887 for 2012. 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 15.3 percent of total General Fund expenditures, and total fund balance represents approximately 18.5 percent of that same amount for 2013. For 2012, unassigned fund balance represents 19.4 percent of total General Fund expenditures, while total fund balance represents approximately 20.7 percent of that same amount.

The Capital Projects Fund fund balance decreased to \$6,533,353 in 2012 from \$33,930,445 in 2012. This decrease is due primarily to remodeling projects.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2013

The fund balance of the District's General Fund decreased by \$1,147,359 during June 30, 2013 primarily due to increases in technology and supplies expenditures for instruction.

For 2012, the fund balance of the District's General Fund increased by \$4,753,902 from 2011 primarily due to expenditure reductions approved by the Board in 2011.

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	\$ 68,003,800	\$ 68,003,800	\$ 69,032,390	\$ (1,028,590)
Support services	34,263,860	34,263,860	31,125,898	3,137,962
Noninstructional programs	7,240,000	7,240,000	7,237,631	2,369
Other	44,963,802	44,963,802	42,830,554	2,133,248
Total	\$ 154,471,462	\$ 154,471,462	\$ 150,226,473	\$ 4,244,989

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 \$26,248,862 for 2013. 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, 2013

For 2012, the District recognized a total net increase of \$23,406,241. Most of the increase can be attributed to the remodeling costs for Valley High School. All were funded by the tax fund revenues.

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

	2013	2012
Land	\$ 4,188,998	\$ 4,188,998
Construction-in-progress	48,389,340	31,803,072
Buildings and improvements	154,216,363	145,812,182
Machinery and equipment	5,197,768	3,939,355
Total	\$ 211,992,469	\$ 185,743,607

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

Debt

As of June 30, 2013, the West Des Moines Community School District had bonds and capital loan notes outstanding totaling \$51,801,850 compared to \$56,538,485 as of June 30, 2012. In the current year, the District paid \$4,665,000 in principal and \$1,409,645 in interest on outstanding debt.

	2013	2012
Capital loan notes	\$ 41,897,392	\$ 46,640,191
Revenue bonds	9,904,458	9,898,294
	\$ 51,801,850	\$ 56,538,485

As of June 30, 2013, the District's available legal debt margin was \$267,238,754 compared to \$263,568,048 as of June 30, 2012.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2013

Other long-term debt consists of:

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change 2012-13
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	
	Early retirement	\$ 2,345,652	\$ 2,685,983	\$ -	\$ -	\$ 2,345,652	
Compensated absences	407,167	377,610	40,986	10,727	448,153	388,337	13.3%
Net OPEB liability	6,469,353	5,340,000	404,647	330,000	6,874,000	5,670,000	17.5%
Total	\$ 9,222,172	\$ 8,403,593	\$ 445,633	\$ 340,727	\$ 9,667,805	\$ 8,744,320	9.6%

Additional information about the District's long-term debt can be found in Note 6 and Note 7 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 2013, the increase was 1.8%.

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 2014-15 Allowable Growth rate at four 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, 2013

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 Position
June 30, 2013**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents and investments	\$ 61,173,326	\$ 2,523,930	\$ 63,697,256
Restricted cash, cash equivalents and investments	4,384,907	-	4,384,907
Receivables:			
Property taxes	55,454,976	-	55,454,976
Other	4,216,084	257,991	4,474,075
Inventories	56,188	179,556	235,744
Internal balances	(1,168,665)	1,168,665	-
Total current assets	124,116,816	4,130,142	128,246,958
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	4,173,998	15,000	4,188,998
Construction-in-progress	48,389,340	-	48,389,340
Depreciable:			
Buildings and improvements	215,791,838	-	215,791,838
Machinery and equipment	11,987,307	3,787,636	15,774,943
Accumulated depreciation	(70,480,353)	(1,672,297)	(72,152,650)
Total noncurrent assets	209,862,130	2,130,339	211,992,469
Total assets	\$ 333,978,946	\$ 6,260,481	\$ 340,239,427

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	10,158,865	159,883	10,318,748
Claims payable	2,255,000	-	2,255,000
Accrued liabilities	8,398,163	-	8,398,163
Unearned revenue	1,384,681	104,991	1,489,672
Capital loan notes	4,755,000	-	4,755,000
Compensated absences	407,167	40,986	448,153
Liability for early retirement	863,297	-	863,297
Accrued interest payable	316,100	-	316,100
Total current liabilities	28,538,273	305,860	28,844,133
Noncurrent liabilities:			
Capital notes	37,142,392	-	37,142,392
Revenue bonds	9,904,458	-	9,904,458
Liability for early retirement	1,482,355	-	1,482,355
Net OPEB liability	6,469,353	404,647	6,874,000
Total noncurrent liabilities	54,998,558	404,647	55,403,205
Total liabilities	83,536,831	710,507	84,247,338
Deferred inflows of resources, unavailable revenue	55,235,423	-	55,235,423
Net Position			
Net investment in capital assets	162,317,475	2,130,339	164,447,814
Restricted for:			
Categorical funding	1,301,007	-	1,301,007
Physical plant and equipment levy	8,345,318	-	8,345,318
Statewide sales and services tax	150,712	-	150,712
Management levy	6,332,913	-	6,332,913
Public education and recreation levy	308,550	-	308,550
Student activities	946,287	-	946,287
Unrestricted	15,504,430	3,419,635	18,924,065
Total net position	\$ 195,206,692	\$ 5,549,974	\$ 200,756,666

West Des Moines Community School District

**Statement of Activities
Year Ended June 30, 2013**

	Functions/Programs	Expenses
Primary Government:		
Governmental activities:		
Instruction		\$ 72,787,048
Support services		33,543,019
Noninstructional programs		514,568
Other		3,414,456
Interest on long-term debt		1,387,760
Total governmental activities		<u>111,646,851</u>
Business-type activities:		
School nutrition		4,412,926
Community education		2,801,078
Preschool regular education		174,674
Total business-type activities		<u>7,388,678</u>
Total primary government		<u>\$ 119,035,529</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
 Transfers
 Total general revenues and transfers

Change in net position

Net position, beginning of year
 Net position, 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
\$ 7,215,947	\$ 9,379,957	\$ -	\$ (56,191,144)	\$ -	\$ (56,191,144)
1,626,797	37,342	118,493	(31,760,387)	-	(31,760,387)
-	-	-	(514,568)	-	(514,568)
-	3,412,956	-	(1,500)	-	(1,500)
-	-	-	(1,387,760)	-	(1,387,760)
8,842,744	12,830,255	118,493	(89,855,359)	-	(89,855,359)
2,438,304	1,752,726	1,674,887	-	1,452,991	1,452,991
2,796,728	3,810	-	-	(540)	(540)
-	181,427	-	-	6,753	6,753
5,235,032	1,937,963	1,674,887	-	1,459,204	1,459,204
\$ 14,077,776	\$ 14,768,218	\$ 1,793,380	(89,855,359)	1,459,204	(88,396,155)
			42,656,412	-	42,656,412
			10,295,412	-	10,295,412
			7,881,340	-	7,881,340
			907,497	-	907,497
			30,002,209	-	30,002,209
			289,536	12,499	302,035
			127,228	(127,228)	-
			92,159,634	(114,729)	92,044,905
			2,304,275	1,344,475	3,648,750
			192,902,417	4,205,499	197,107,916
			\$ 195,206,692	\$ 5,549,974	\$ 200,756,666



WEST DES MOINES
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West Des Moines Community School District

**Balance Sheet
Governmental Funds
June 30, 2013**

	General	Capital Projects	Nonmajor Governmental Funds	Total
Assets				
Cash, cash equivalents and investments	\$ 25,428,798	\$ 8,605,051	\$ 9,051,172	\$ 43,085,021
Restricted cash, cash equivalents and investments	-	4,384,907	-	4,384,907
Receivables:				
Property taxes	39,317,114	7,352,492	8,785,370	55,454,976
Due from other governments	2,409,215	1,642,626	-	4,051,841
Other	95,037	-	51,856	146,893
Inventories	56,188	-	-	56,188
Total assets	\$ 67,306,352	\$ 21,985,076	\$ 17,888,398	\$ 107,179,826
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,113,025	\$ 7,729,914	\$ 138,196	\$ 9,981,135
Accrued liabilities	8,398,163	-	-	8,398,163
Claims payable	-	-	525,000	525,000
Unearned revenue	81,025	-	25,152	106,177
Liability for early retirement	22,725	-	840,572	863,297
Total liabilities	10,614,938	7,729,914	1,528,920	19,873,772
Deferred inflows of resources, Unavailable revenue:				
Succeeding year property tax	39,139,886	7,323,809	8,771,728	55,235,423
Statewide sales and services tax	-	398,000	-	398,000
Total deferred inflows of resources	39,139,886	7,721,809	8,771,728	55,633,423
Fund balances:				
Nonspendable, inventories	56,188	-	-	56,188
Restricted for:				
Categorical funding	1,301,007	-	-	1,301,007
Physical plant and equipment	-	8,345,318	-	8,345,318
Management levy	-	-	6,332,913	6,332,913
Public education and recreation levy	-	-	308,550	308,550
Student activities	-	-	946,287	946,287
Committed for curriculum	1,770,000	-	-	1,770,000
Unassigned	14,424,333	(1,811,965)	-	12,612,368
Total fund balances	17,551,528	6,533,353	7,587,750	31,672,631
Total liabilities, deferred inflows of resources and fund balances	\$ 67,306,352	\$ 21,985,076	\$ 17,888,398	\$ 107,179,826

See Notes to Basic Financial Statements.

West Des Moines Community School District

**Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2013**

Total fund balances		\$	31,672,631
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds			209,862,130
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			398,000
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	18,105,655		
Other current liabilities	<u>(3,186,234)</u>		14,919,421
Internal Service Fund allocated to business-type activities			(1,168,665)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Accrued interest payable	(316,100)		
Capital notes, current	(4,755,000)		
Capital notes, noncurrent	(36,520,000)		
Premium on capital notes	(622,392)		
Revenue bonds, noncurrent	(10,000,000)		
Discount on revenue bonds	95,542		
Compensated absences, current	(407,167)		
Liability for early retirement, noncurrent	(1,482,355)		
Other postemployment benefits payable	(6,469,353)		(60,476,825)
Net position of governmental activities		\$	<u><u>195,206,692</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, 2013

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:				
Property taxes and other local sources:				
Property taxes	\$ 42,656,412	\$ 7,144,081	\$ 3,151,331	\$ 52,951,824
Statewide sales and services tax	-	7,858,340	-	7,858,340
Utility replacement	737,023	116,035	54,439	907,497
Other local sources	1,169,537	211,821	503,605	1,884,963
Investment earnings	183,561	65,776	40,199	289,536
Student activities	168,693	-	1,742,358	1,911,051
Intermediary sources	144,165	-	-	144,165
Tuition/transportation	5,186,589	-	-	5,186,589
State sources:				
State foundation aid	30,002,209	-	-	30,002,209
Other state sources	10,254,918	17,345	716	10,272,979
Federal sources	2,770,442	118,493	-	2,888,935
Total revenues	93,273,549	15,531,891	5,492,648	114,298,088
Expenditures:				
Current:				
Instruction	64,338,161	2,152,115	2,273,971	68,764,247
Support services:				
Student	3,280,527	-	-	3,280,527
Instructional staff	4,759,339	-	4,073	4,763,412
General administration	556,199	606,949	859,762	2,022,910
School building administration	4,617,999	-	-	4,617,999
Business administration	2,794,720	213,625	38,923	3,047,268
Plant operation and maintenance	7,132,936	182,144	1,440,992	8,756,072
Student transportation	3,639,570	376,552	2,424	4,018,546
Noninstructional programs	-	-	511,282	511,282
Other:				
Other	-	-	1,500	1,500
AEA support - direct to AEA	3,412,956	-	-	3,412,956
Capital outlay	-	33,341,453	-	33,341,453
Debt service:				
Principal	-	-	4,665,000	4,665,000
Interest	-	-	1,409,645	1,409,645
Total expenditures	94,532,407	36,872,838	11,207,572	142,612,817
Excess (deficiency) of revenues under (over) expenditures	(1,258,858)	(21,340,947)	(5,714,924)	(28,314,729)
Other financing sources (uses):				
Transfers in	137,086	20,000	6,153,873	6,310,959
Transfers (out)	(75,500)	(6,076,145)	(32,086)	(6,183,731)
Proceeds from sale of capital assets	49,913	-	-	49,913
Total other financing sources (uses)	111,499	(6,056,145)	6,121,787	177,141
Net change in fund balance	(1,147,359)	(27,397,092)	406,863	(28,137,588)
Fund balances, beginning of year	18,698,887	33,930,445	7,180,887	59,810,219
Fund balances, end of year	\$ 17,551,528	\$ 6,533,353	\$ 7,587,750	\$ 31,672,631

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, 2013

Net change in fund balances - total governmental funds		\$ (28,137,588)
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	32,045,946	
Depreciation expense by function:		
Instruction	(5,772,737)	
Support services	(1,313,396)	
Proceeds from sale of capital assets	(49,913)	
Loss on sale of capital assets	(197,707)	24,712,193
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Sales tax	23,000	
Tuition	(390,071)	
Intergovernmental	(107,119)	(474,190)
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:		
Repayment of bond principal	4,665,000	
Accretion of premium	77,799	
Amortization of discount	(6,164)	
Interest	(49,750)	4,686,885
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.		2,606,788
Change in Internal Service Fund allocation to business-type activities.		(230,212)
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	(29,557)	
Change in liability for early retirement:		
Instruction	177,223	
Support	118,148	
Noninstructional programs	3,938	
Change in liability for other postemployment benefits:		
Instruction	(803,863)	
Support	(318,266)	
Noninstructional programs	(7,224)	(859,601)
Change in net position of governmental activities	<u>2,304,275</u>	<u>\$ 2,304,275</u>

See Notes to Basic Financial Statements.

West Des Moines Community School District

Statement of Net Position
 Proprietary Funds
 June 30, 2013

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
Assets		
Current assets:		
Cash, cash equivalents and investments	\$ 2,523,930	\$ 18,088,305
Other receivables	152,265	17,350
Due from other governments	105,726	-
Inventories	179,556	-
Total current assets	2,961,477	18,105,655
Noncurrent assets:		
Capital assets:		
Land	15,000	-
Machinery and equipments	3,787,636	-
Less accumulated depreciation	(1,672,297)	-
Total noncurrent assets	2,130,339	-
Total assets	5,091,816	18,105,655
Liabilities		
Current liabilities:		
Accounts payable	159,883	177,730
Compensated absences	40,986	-
Claims payable	-	1,730,000
Unearned revenue	104,991	1,278,504
Total current liabilities	305,860	3,186,234
Long-term liabilities, net OPEB liability	404,647	-
Total liabilities	710,507	3,186,234
Net Position		
Net investment in capital assets	2,130,339	-
Unrestricted	2,250,970	14,919,421
Total net position	\$ 4,381,309	\$ 14,919,421

See Notes to Basic Financial Statements.

West Des Moines Community School District

**Reconciliation of Enterprise Funds Net Position to the Net Position of
Business-Type Activities**

June 30, 2013

Total enterprise funds net position \$ 4,381,309

Amounts reported for business-type activities in the statement of net position 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 position.

1,168,665

Net position of business-type activities

\$ 5,549,974

See Notes to Basic Financial Statements.

West Des Moines Community School District

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2013

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Operating revenues:		
Food sales	\$ 2,438,304	\$ -
Sale of services	2,796,728	-
Charges for services	-	14,526,851
Total operating revenues	5,235,032	14,526,851
Operating expenses:		
Salaries	3,337,586	-
Employee benefits	1,314,401	-
Purchased services	374,183	1,248,307
Food consumed	1,820,514	-
Supplies	536,166	112,180
Depreciation	166,220	-
Claims and administration	-	10,559,576
Other	64,586	-
Total operating expenses	7,613,656	11,920,063
Operating income (loss)	(2,378,624)	2,606,788
Nonoperating revenues (expenses):		
Federal food commodities	219,841	-
Federal appropriations	1,462,704	-
State appropriations	209,590	-
Interest	12,499	-
Loss on disposal of capital assets and assets held for resale	(5,234)	-
Other	45,828	-
Total nonoperating revenues (expenses)	1,945,228	-
Income (loss) before contributions and transfers	(433,396)	2,606,788
Capital contributions	1,674,887	-
Transfers in	2,000	-
Transfers (out)	(129,228)	-
Change in net position	1,114,263	2,606,788
Net position, beginning of year	3,267,046	12,312,633
Net position, end of year	\$ 4,381,309	\$ 14,919,421

See Notes to Basic Financial Statements.

West Des Moines Community School District

**Reconciliation of the Change in Net Position of Enterprise Funds to the
Statement of Activities
Year Ended June 30, 2013**

Net changes in net position in enterprise funds 1,114,263

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.

230,212

Change in net position of business-type activities

\$ 1,344,475

See Notes to Basic Financial Statements.

West Des Moines Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2013**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
Cash flows from financing activities:		
Receipts from customers and users	\$ 5,126,134	15,788,005
Payments to suppliers	(2,637,805)	(1,300,479)
Payments to employees	(4,547,081)	-
Claims paid	-	(10,559,576)
Net cash provided by (used in) operating activities	(2,058,752)	3,927,950
Cash flows from noncapital financial activities:		
Federal and state appropriations received	1,624,344	-
Transfers in	2,000	-
Transfers (out)	(129,228)	-
Other, local donations and grants	45,828	-
Net cash provided by noncapital financing activities	1,542,944	-
Cash flows from capital and related financing activities, purchase of capital assets	(33,236)	-
Cash flows from investing activities, interest received	12,499	-
Net increase (decrease) in cash and cash equivalents	(536,545)	3,927,950
Cash and cash equivalents, beginning of year	3,060,475	14,160,355
Cash and cash equivalents, end of year	\$ 2,523,930	\$ 18,088,305

(Continued)

West Des Moines Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2013

	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)	(2,378,624)	2,606,788
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	166,220	-
Federal food commodities used	219,841	-
Change in assets and liabilities:		
Receivables	(139,034)	1,201,984
Inventories	(101,384)	-
Accounts payable	39,187	60,008
Compensated absences	30,259	-
Claims payable	-	-
Unearned revenue	30,136	59,170
Net OPEB liability	74,647	-
Net cash provided by (used in) operating activities	\$ (2,058,752)	\$ 3,927,950
Schedule of noncash items:		
Noncapital financing activities, federal commodities	\$ 219,841	\$ -
Capital and related financing activities, capital assets contributed	\$ 1,674,887	\$ -

See Notes to Financial Statements.

West Des Moines Community School District

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2013

	<u>Flower</u>
Assets	
Cash, cash equivalents and investments	<u>\$ 9,971</u>
Liabilities and Fund Equity	
Due to private individuals	<u>\$ 9,971</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, 2013

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 2012-2013 school year was 9,045 regular and special education students. The District employs approximately 1,200 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 position 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 position 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, 2013

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

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

Net investment in capital assets: 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 position: Results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position: Consist of net position that does not meet the definition of the preceding categories. Unrestricted net position often has 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 position, 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, 2013

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.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

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.

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 position and changes in net position. 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, 2013

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 2012 based on 2011 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 position 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, 2013

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 position.

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 position 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, 2013

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

Unearned revenue: Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue consists primarily of school registration fees and meal revenues collected for the programs and services in the next school year.

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: Vacation benefits are provided to twelve month employees. The eligibility date is July 1 with vacation days accruing and prorated throughout the year. Vacation days accrued during one fiscal year are required to be used before the end of the next fiscal year. 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 position as vacation must be used within one year. Compensated absences are only reported in the governmental funds if they have matured. 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, 2013

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 through the Board approved budget of the District.

Unassigned: All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned funds and then unassigned.

Deferred outflows/inflows of resources: In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fund balance or net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District does not have deferred outflows of resources as of June 30, 2013.

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance or net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue in the governmental funds balance sheet from the statewide sales and services tax and property tax. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which levied.

Net position: In proprietary funds, fiduciary funds, and government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, 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 investment in capital assets excludes

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

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

unspent debt proceeds of \$4,257,195. Net position is 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 position restricted through enabling legislation consists of \$8,345,318 for physical plant and equipment levy, \$150,712 for statewide sales and services tax, \$6,332,913 for management levy and \$308,550 for public education and recreation levy. All other restricted net position consists of \$1,301,007 for categorical funding and \$946,287 for student activities and are restricted by grantors and donors.

Net position flow assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

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

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

Note 2. Budgetary and Budgetary Control

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

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

Note 3. Cash and Cash Equivalents and Investments

The District's deposits in banks as of June 30, 2013 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, 2013, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$3,278,307 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. The District does not have a separate credit risk policy from state statutes.

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	\$ 137,086	\$ 75,500
Capital Projects Fund	20,000	6,076,145
Other nonmajor governmental funds	6,153,873	32,086
Other nonmajor enterprise fund	2,000	129,228
	<u>\$ 6,312,959</u>	<u>\$ 6,312,959</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, 2013**

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, 2013.

Note 5. Capital Assets

Capital asset activity for the governmental activities for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,173,998	\$ -	\$ -	\$ 4,173,998
Construction-in-progress	31,803,072	26,728,033	10,141,765	48,389,340
Total capital assets, not being depreciated	35,977,070	26,728,033	10,141,765	52,563,338
Capital assets, being depreciated:				
Buildings and improvements	201,479,556	14,312,282	-	215,791,838
Machinery and equipment	11,948,921	1,147,396	1,109,010	11,987,307
Total capital assets, being depreciated	213,428,477	15,459,678	1,109,010	227,779,145
Accumulated depreciation:				
Buildings and improvements	55,667,374	5,908,101	-	61,575,475
Machinery and equipment	8,588,236	1,178,032	861,390	8,904,878
Total accumulated depreciation	64,255,610	7,086,133	861,390	70,480,353
Total capital assets, being depreciated, net	149,172,867	8,373,545	247,620	157,298,792
Governmental activities capital assets, net	\$ 185,149,937	\$ 35,101,578	\$ 10,389,385	\$ 209,862,130

West Des Moines Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2013**

Note 5. Capital Assets (Continued)

Capital asset activity for the business-type activities for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Business-type activities:				
Capital assets, not being depreciated, land	\$ 15,000	\$ -	\$ -	\$ 15,000
Capital assets, being depreciated, machinery and equipment	2,380,758	1,708,123	301,245	3,787,636
Accumulated depreciation, machinery and equipment	1,802,088	166,220	296,011	1,672,297
Total capital assets, being depreciated, net	578,670	1,541,903	5,234	2,115,339
Business-type activities capital assets, net	\$ 593,670	\$ 1,541,903	\$ 5,234	\$ 2,130,339

Depreciation expense was charged to the functions as follows:

Governmental activities:	
Instruction	\$ 5,772,737
Support services	1,313,396
Total depreciation expense, governmental activities	\$ 7,086,133
Business-type activities, nutrition	\$ 166,220

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

Note 6. Long-Term Debt

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

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Balances Due Within One Year
Governmental activities:					
Capital loan notes, Series 2010	\$ 12,670,000	\$ -	\$ 1,215,000	\$ 11,455,000	\$ 1,255,000
Capital loan notes, Series 2011	33,270,000	-	3,450,000	29,820,000	3,500,000
Premium on capital loan notes, Series 2011	700,191	-	77,799	622,392	-
Revenue bonds, Series 2012	10,000,000	-	-	10,000,000	-
Discount on Revenue bonds, Series 2012	(101,706)	-	(6,164)	(95,542)	-
Compensated absences	377,610	592,267	562,710	407,167	407,167
Net OPEB liability	5,340,000	2,093,073	963,720	6,469,353	-
Total	\$ 62,256,095	\$ 2,685,340	\$ 6,263,065	\$ 58,678,370	\$ 5,162,167
Business-type activities,					
Compensated absences	\$ 10,727	\$ 81,361	\$ 51,102	\$ 40,986	\$ 40,986
Net OPEB liability	330,000	291,927	217,280	404,647	-
	\$ 340,727	\$ 373,288	\$ 268,382	\$ 445,633	\$ 40,986

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 \$11,455,000 as of June 30, 2013. The notes are payable from the physical plant and equipment levy fund, through 2021. The notes are 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 \$29,820,000 as of June 30, 2013. The notes are payable from the physical plant and equipment levy fund through 2021. The notes are a general obligation of the District.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

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 \$13,313,749. During the year ended June 30, 2013, no principal was paid on the bonds and \$188,705 of interest was paid on the bonds and statewide sales, services and use tax revenues were \$7,858,340.

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. At June 30, 2013, there was \$127,711 deposited in the sinking account.
- 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, 2013, 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, 2013**

Note 6. Long-Term Debt (Continued)

Annual debt service requirements on all outstanding indebtedness as of June 30, 2013, are as follows:

Year ending June 30:	Capital Loan Notes, Series 2010		
	Principal	Interest	Total
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	1,455,000	178,713	1,633,713
2019-2021	4,715,000	290,987	5,005,987
Totals	\$ 11,455,000	\$ 1,493,925	\$ 12,948,925

Year ending June 30:	Capital Loan Notes, Series 2011		
	Principal	Interest	Total
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	3,710,000	543,275	4,253,275
2019-2021	11,765,000	892,375	12,657,375
Subtotal	29,820,000	4,331,450	34,151,450
Plus unamortized premium	622,392	-	622,392
Totals	\$ 30,442,392	\$ 4,331,450	\$ 34,773,842

Year ending June 30:	Revenue Bonds, Series 2012		
	Principal	Interest	Total
2014	-	255,390	255,390
2015	-	255,390	255,390
2016	-	255,390	255,390
2017	-	255,390	255,390
2018	-	255,390	255,390
2019-2023	2,020,000	1,233,975	3,253,975
2024-2028	5,530,000	729,327	6,259,327
2029-2030	2,450,000	73,497	2,523,497
Subtotal	10,000,000	3,313,749	13,313,749
Less unamortized discount	(95,542)	-	(95,542)
Totals	\$ 9,904,458	\$ 3,313,749	\$ 13,218,207

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

Note 6. Long-Term Debt (Continued)

As of June 30, 2013, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u><u>\$ 6,370,275,077</u></u>
Debt limit, 5% of total assessed valuation	\$ 318,513,754
Amount of debt applicable to debt limit, total indebtedness	<u>51,275,000</u>
Excess of debt limit over debt outstanding, legal debt margin	<u><u>\$ 267,238,754</u></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, 2013; (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 2013-2014 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, 2013

Note 7. Early Retirement (Continued)

As of June 30, 2013, the District has \$840,572 accrued in the Management Fund and \$22,725 accrued in the General Fund, as it is considered due, and an additional \$1,482,355 recorded in the government-wide financial statements. The current year cost to the District was \$858,124 which consisted of 147 participants in the plan. A summary of changes in liability for early retirement is shown as follows:

Balance, June 30, 2012	\$ 2,685,983
Additions	517,793
Reductions	<u>858,124</u>
Balance, June 30, 2013	<u><u>\$ 2,345,652</u></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, 2013

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, 2013, 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	255,000
Adjustment to annual required contribution	<u>(167,000)</u>
Annual OPEB cost	2,385,000
Contributions made	<u>1,181,000</u>
Increase in net OPEB obligation	1,204,000
Net OPEB obligation beginning of year	<u>5,670,000</u>
Net OPEB obligation end of year	<u><u>\$ 6,874,000</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, 2013.

For the year ended June 30, 2013, the District contributed \$1,181,000 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, 2013 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	3,211,000	51.0%	4,367,000
June 30, 2012	2,327,000	44.0%	5,670,000
June 30, 2013	2,385,000	50.0%	6,874,000

As of July 1, 2011, the most recent actuarial valuation date, 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, 2013, there were no trust fund assets.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

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 inflation rate is assumed to be 3.0% each 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 5.78 percent of their annual salary and the District is required to contribute 8.67 percent of annual payroll. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$4,817,002, \$4,367,429, and \$3,654,150, respectively, equal to the required contributions for each year.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

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, 2013 and 2012 are as follows:

	Self-Insurance Fund	
	2013	2012
Claims payable, beginning of year	\$ 1,730,000	\$ 9,000,943
Incurred claims (including IBNR and changes in estimates)	9,575,942	2,612,887
Claim payments	9,575,942	9,883,830
Claims payable, end of year	<u>\$ 1,730,000</u>	<u>\$ 1,730,000</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, 2013

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 \$350,000 per individual and an aggregate amount of \$1,000,000. Changes in the balances of claims liabilities for the year ended June 30, 2013 are as follows:

	Workers Compensation	
	2013	2012
Claims payable, beginning of year	\$ 525,000	\$ 525,000
Incurred claims (including IBNR)	328,391	464,734
Claim payments	328,391	464,734
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 \$3,412,956 for the year ended June 30, 2013 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

Note 12. Contingencies

As of June 30, 2013, 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

The District was involved in various construction projects throughout the year. The total cost of these projects was approximately \$38,000,000. The remaining contractual amounts on these projects total approximately \$29,000,000 as of June 30, 2013.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

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

The District adopted the following statements during the year ended June 30, 2013:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. 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*. 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*. 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*. 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.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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.

The implementation of the above statements did not have a material impact to the District's financial statements other than GASB Statement No. 63 and No. 65. The adoption of these statements changed the presentation of the basic financial statements to a statement of net position format.

As of June 30, 2013, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2013

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

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, 2014. 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, 2015. 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).

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013, is effective for the District beginning with its year ending June 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued April 2013, is effective for the District beginning with its year ending June 30, 2014. Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

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



WEST DES MOINES
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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, 2013

	Governmental Funds - Actual	Proprietary Fund - Actual	Total Actual
Revenues:			
Local sources	\$ 71,133,965	\$ 5,293,359	\$ 76,427,324
State sources	40,275,188	209,590	40,484,778
Federal sources	2,888,935	1,682,545	4,571,480
Total revenues	114,298,088	7,185,494	121,483,582
Expenditures/expenses:			
Instruction	68,764,247	268,143	69,032,390
Support services	30,506,734	619,164	31,125,898
Noninstructional programs	511,282	6,726,349	7,237,631
Other expenditures	42,830,554	-	42,830,554
Total expenditures/expenses	142,612,817	7,613,656	150,226,473
Excess (deficiency) of revenues over (under) expenditures/expenses	(28,314,729)	(428,162)	(28,742,891)
Other financing sources (uses):			
Transfers in	6,310,959	2,000	6,312,959
Transfers (out)	(6,183,731)	(129,228)	(6,312,959)
Contributed capital	-	1,674,887	1,674,887
Issuance of revenue bonds	-	-	-
Proceeds from sale of capital assets	49,913	(5,234)	44,679
Total other financing sources (uses)	177,141	1,542,425	1,719,566
Net change in fund balance	(28,137,588)	1,114,263	(27,023,325)
Balance, beginning of year	59,810,219	3,267,046	63,077,265
Balance, end of year	\$ 31,672,631	\$ 4,381,309	\$ 36,053,940

See Note to Required Supplementary Information.

Budgeted Amounts		Final to Actual	
Original	Final	Variance	
\$ 75,977,774	\$ 75,977,774	\$	449,550
41,438,570	41,438,570		(953,792)
4,485,500	4,485,500		85,980
121,901,844	121,901,844		(418,262)
68,003,800	68,003,800		(1,028,590)
34,263,860	34,263,860		3,137,962
7,240,000	7,240,000		2,369
44,963,802	44,963,802		2,133,248
154,471,462	154,471,462		4,244,989
(32,569,618)	(32,569,618)		3,826,727
16,200,895	16,200,895		(9,887,936)
(16,350,895)	(16,350,895)		10,037,936
-	-		1,674,887
10,000,000	10,000,000		(10,000,000)
50,000	50,000		(5,321)
9,900,000	9,900,000		(8,180,434)
(22,669,618)	(22,669,618)		(4,353,707)
61,337,468	61,337,468		-
\$ 38,667,850	\$ 38,667,850	\$	(4,353,707)

West Des Moines Community School District

Note to Required Supplementary Information – Budgetary Reporting Year Ended June 30, 2013

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, 2013, expenditures in the instruction 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%
2013	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
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**OTHER COMBINING AND
INDIVIDUAL FUND FINANCIAL STATEMENTS**

West Des Moines Community School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

	Special Revenue				Total
	Management	Playground	Student Activity	Debt Service	
Assets					
Cash, cash equivalents and investments	\$ 7,671,229	\$ 310,633	\$ 1,069,310	\$ -	\$ 9,051,172
Receivables:					
Property taxes	8,227,758	557,612	-	-	8,785,370
Other	51,856	-	-	-	51,856
Total assets	\$ 15,950,843	\$ 868,245	\$ 1,069,310	\$ -	\$ 17,888,398
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 36,021	\$ 4,304	\$ 97,871	-	\$ 138,196
Claims payable	525,000	-	-	-	525,000
Unearned revenue	-	-	25,152	-	25,152
Liability for early retirement	840,572	-	-	-	840,572
Total liabilities	1,401,593	4,304	123,023	-	1,528,920
Deferred inflows of resources, unavailable revenue:					
Succeeding year property tax	8,216,337	555,391	-	-	8,771,728
Fund balances, Restricted	6,332,913	308,550	946,287	-	7,587,750
Total liabilities, deferred inflows of resources and fund balances	\$ 15,950,843	\$ 868,245	\$ 1,069,310	\$ -	\$ 17,888,398

West Des Moines Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2013

	Special Revenue				Total
	Management	Playground	Student Activity	Debt Service	
Revenues:					
Property taxes and other local sources:					
Property taxes	\$ 2,618,272	\$ 533,059	\$ -	\$ -	\$ 3,151,331
Utility replacement	45,229	9,210	-	-	54,439
Other local sources	156,971	-	346,634	-	503,605
Investment earnings	33,150	1,498	5,551	-	40,199
Student activities	-	-	1,742,358	-	1,742,358
State sources, other state sources	595	121	-	-	716
Total revenues	2,854,217	543,888	2,094,543	-	5,492,648
Expenditures:					
Current:					
Instruction	111,739	5,191	2,157,041	-	2,273,971
Support services:					
General administration	845,146	12,152	2,464	-	859,762
Business administration	-	26,539	12,384	-	38,923
Plant operating and maintenance	1,440,992	-	-	-	1,440,992
Instructional staff support services	-	2,541	1,532	-	4,073
Student transportation	-	2,424	-	-	2,424
Noninstructional programs	-	491,176	20,106	-	511,282
Other	-	-	-	1,500	1,500
Debt service:					
Principal	-	-	-	4,665,000	4,665,000
Interest	-	-	-	1,409,645	1,409,645
Total expenditures	2,397,877	540,023	2,193,527	6,076,145	11,207,572
Excess (deficiency) of revenues over (under) expenditures	456,340	3,865	(98,984)	(6,076,145)	(5,714,924)
Other financing sources (uses):					
Transfer in	-	2,228	75,500	6,076,145	6,153,873
Transfers out	-	(30,000)	(2,086)	-	(32,086)
	-	(27,772)	73,414	6,076,145	6,121,787
Net change in fund balances	456,340	(23,907)	(25,570)	-	406,863
Fund balances, beginning of year	5,876,573	332,457	971,857	-	7,180,887
Fund balances, end of year	\$ 6,332,913	\$ 308,550	\$ 946,287	\$ -	\$ 7,587,750

West Des Moines Community School District

**Schedule of Combining Balance Sheet-
Capital Projects Fund, By Account
June 30, 2013**

	<u>Capital Projects Fund Accounts</u>		
	Physical Plant and Equipment	Statewide Sales and Services Tax	Total
Assets			
Cash, cash equivalents and investments	\$ 8,375,635	\$ 229,416	\$ 8,605,051
Restricted cash, cash equivalents and investments	-	4,384,907	4,384,907
Receivables:			
Property taxes	7,352,492	-	7,352,492
Due from other governments	-	1,642,626	1,642,626
Total assets	\$ 15,728,127	\$ 6,256,949	\$ 21,985,076
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities,			
Accounts payable	\$ 59,000	\$ 7,670,914	\$ 7,729,914
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	7,323,809	-	7,323,809
Sales and services tax	-	398,000	398,000
Total deferred inflows of resources	7,323,809	398,000	7,721,809
Fund balances:			
Restricted for:			
Physical plant and equipment	8,345,318	-	8,345,318
Unassigned	-	(1,811,965)	(1,811,965)
Total fund balances	8,345,318	(1,811,965)	6,533,353
Total liabilities, deferred inflows of resources and fund balances	\$ 15,728,127	\$ 6,256,949	\$ 21,985,076

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, 2013**

	Capital Projects Fund Accounts		
	Physical	Statewide	Total
	Plant and Equipment	Sales and Services Tax	
Revenues:			
Property taxes and other local sources:			
Property taxes	\$ 7,144,081	\$ -	\$ 7,144,081
Statewide sales and services tax	-	7,858,340	7,858,340
Utility replacement	116,035	-	116,035
Other local sources	1,423	210,398	211,821
Investment earnings	52,794	12,982	65,776
State sources, Other state sources	1,546	15,799	17,345
Federal sources	-	118,493	118,493
Total revenues	7,315,879	8,216,012	15,531,891
Expenditures:			
Current:			
Instruction	105,951	2,046,164	2,152,115
Support services:			
General administration	-	606,949	606,949
Business administration	207,375	6,250	213,625
Plant operation and maintenance	66,904	115,240	182,144
Student transportation	-	376,552	376,552
Capital outlay	704,807	32,636,646	33,341,453
Total expenditures	1,085,037	35,787,801	36,872,838
Excess (deficiency) of revenues under (over) expenditures	6,230,842	(27,571,789)	(21,340,947)
Other financing sources (uses):			
Transfers in	-	19,695,167	19,695,167
Transfers (out)	(19,675,167)	(6,076,145)	(25,751,312)
Total other financing sources (uses)	(19,675,167)	13,619,022	(6,056,145)
Net change in fund balance	(13,444,325)	(13,952,767)	(27,397,092)
Fund balances, beginning of year	21,789,643	12,140,802	33,930,445
Fund balances, end of year	\$ 8,345,318	\$ (1,811,965)	\$ 6,533,353

West Des Moines Community School District

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2013

	School Nutrition	Community Education	Preschool Regular Education	Total
Assets				
Current assets:				
Cash, cash equivalents and investments	812,104	\$ 1,710,948	\$ 878	\$ 2,523,930
Other receivables	5,821	146,444	-	152,265
Due from other governments	101,364	-	4,362	105,726
Inventories	179,556	-	-	179,556
Total current assets	1,098,845	1,857,392	5,240	2,961,477
Noncurrent assets, capital assets:				
Land	-	15,000	-	15,000
Machinery and equipment	3,787,636	-	-	3,787,636
Less accumulated depreciation	(1,672,297)	-	-	(1,672,297)
Total noncurrent assets	2,115,339	15,000	-	2,130,339
Total assets	\$ 3,214,184	\$ 1,872,392	\$ 5,240	\$ 5,091,816
Liabilities				
Current liabilities:				
Accounts payable	73,478	86,405	-	159,883
Compensated absences	21,746	16,953	2,287	40,986
Unearned revenue	104,991	-	-	104,991
Long-term liabilities, net OPEB liability	248,909	147,414	8,324	404,647
Total liabilities	449,124	250,772	10,611	710,507
Net Position (Deficit)				
Net investment in capital assets	2,115,339	15,000	-	2,130,339
Unrestricted	649,721	1,606,620	(5,371)	2,250,970
Total net position (deficit)	\$ 2,765,060	\$ 1,621,620	\$ (5,371)	\$ 4,381,309

West Des Moines Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended June 30, 2013

	School Nutrition	Community Education	Preschool Regular Education	Total
Operating revenues:				
Food sales	2,438,304	-	-	2,438,304
Sale of services	-	2,796,728	-	2,796,728
Total operating revenues	2,438,304	2,796,728	-	5,235,032
Operating expenses:				
Salaries	1,519,864	1,740,679	77,043	3,337,586
Employee benefits	727,246	558,227	28,928	1,314,401
Purchased services	150,606	151,698	71,879	374,183
Food consumed	1,820,514	-	-	1,820,514
Supplies	103,883	432,065	218	536,166
Depreciation	166,220	-	-	166,220
Other	57,621	6,240	725	64,586
Total operating expenses	4,545,954	2,888,909	178,793	7,613,656
Operating (loss)	(2,107,650)	(92,181)	(178,793)	(2,378,624)
Nonoperating revenues (expenses):				
Federal food commodities	219,841	-	-	219,841
Federal appropriations	1,462,704	-	-	1,462,704
State appropriations	28,163	-	181,427	209,590
Interest	3,679	8,817	3	12,499
Loss on disposal of capital assets	(5,234)	-	-	(5,234)
Other	42,018	3,810	-	45,828
Total nonoperating revenues and (expenses)	1,751,171	12,627	181,430	1,945,228
Income (loss) before contributions and transfers	(356,479)	(79,554)	2,637	(433,396)
Capital contributions	1,674,887	-	-	1,674,887
Transfers in	-	2,000	-	2,000
Transfers (out)	-	(127,228)	(2,000)	(129,228)
Changes in net position	1,318,408	(204,782)	637	1,114,263
Net position, beginning	1,446,652	1,826,402	(6,008)	3,267,046
Net position (deficit), end of year	\$ 2,765,060	\$ 1,621,620	\$ (5,371)	\$ 4,381,309

West Des Moines Community School District

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2013

	School Nutrition	Community Education	Preschool Regular Education	Total
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 2,475,850	\$ 2,650,284	\$ -	\$ 5,126,134
Payments to suppliers	(1,967,160)	(591,064)	(79,581)	(2,637,805)
Payments to employees	(2,191,182)	(2,253,539)	(102,360)	(4,547,081)
Net cash (used in) operating activities	(1,682,492)	(194,319)	(181,941)	(2,058,752)
Cash Flows From Noncapital Financing Activities:				
Federal and state appropriations received	1,439,528	-	184,816	1,624,344
Transfers in	-	2,000	-	2,000
Transfers (out)	-	(127,228)	(2,000)	(129,228)
Other, local donations and grants	42,018	3,810	-	45,828
Net cash provided by (used in) noncapital financing activities	1,481,546	(121,418)	182,816	1,542,944
Cash Flows From Capital and Related Financing Activities, purchases of capital assets	(33,236)	-	-	(33,236)
Cash Flows From Investing Activities, interest received	3,679	8,817	3	12,499
Net change in cash and cash equivalents	(230,503)	(306,920)	878	(536,545)
Cash and Cash Equivalents:				
Beginning of year	1,042,607	2,017,868	-	3,060,475
End of year	\$ 812,104	\$ 1,710,948	\$ 878	\$ 2,523,930

(Continued)

West Des Moines Community School District

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year Ended June 30, 2013

	School Nutrition	Community Education	Preschool Regular Education	Total
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities:				
Operating (loss)	\$ (2,107,650)	\$ (92,181)	\$ (178,793)	\$ (2,378,624)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:				
Depreciation	166,220	-	-	166,220
Federal food commodities used	219,841	-	-	219,841
Change in assets and liabilities:				
Receivables	7,410	(146,444)	-	(139,034)
Inventories	(101,384)	-	-	(101,384)
Accounts payable	47,007	(1,061)	(6,759)	39,187
Compensated absences	11,019	16,953	2,287	30,259
Unearned revenue	30,136	-	-	30,136
Net OPEB liability	44,909	28,414	1,324	74,647
net cash (used in) operating activities	\$ (1,682,492)	\$ (194,319)	\$ (181,941)	\$ (2,058,752)
Schedule of Noncash Items:				
Noncapital financing activities, Federal commodities	\$ 219,841	\$ -	\$ -	\$ 219,841
Capital and related financing activities, capital assets contributed	\$ 1,674,887	\$ -	\$ -	\$ 1,674,887

West Des Moines Community School District

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2013

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Flower Fund				
Assets, cash, cash equivalents and investments	\$ 657	\$ 9,314	\$ -	\$ 9,971
Liabilities , due to private individuals	\$ 657	\$ 9,314	\$ -	\$ 9,971

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.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	69-82
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).	83-88
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.	89-97
Demographic and Economic Information	98-99
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	100-106
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.	

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

West Des Moines Community School District

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	2004	2005	2006	2007
Governmental activities:				
Net investment in capital assets	\$ 55,015,332	\$ 75,240,934	\$ 102,257,687	\$ 111,318,597
Restricted	37,722,387	27,986,161	12,250,659	14,597,752
Unrestricted	8,627,536	8,938,394	7,586,863	11,246,550
Total governmental activities net position	\$ 101,365,255	\$ 112,165,489	\$ 122,095,209	\$ 137,162,899
Business-type activities				
Net investment in capital assets	\$ 1,029,808	\$ 967,914	\$ 899,710	\$ 736,682
Unrestricted	1,349,236	1,470,852	1,727,417	2,032,412
Total business-type activities net position	\$ 2,379,044	\$ 2,438,766	\$ 2,627,127	\$ 2,769,094
Primary government:				
Net investment in capital assets	\$ 56,045,140	\$ 76,208,848	\$ 103,157,397	\$ 112,055,279
Restricted	37,722,387	27,986,161	12,250,659	14,597,752
Unrestricted	9,976,772	10,409,246	9,314,280	13,278,962
Total primary government net position	\$ 103,744,299	\$ 114,604,255	\$ 124,722,336	\$ 139,931,993

							Fiscal Year					
2008		2009		2010		2011		2012		2013		
\$	119,538,177	\$	139,058,201	\$	133,613,854	\$	147,846,051	\$	158,150,471	\$	162,317,475	
	17,078,354		15,883,427		21,353,146		14,014,432		12,748,833		17,384,787	
	10,302,534		2,173,420		8,590,265		12,371,586		22,003,113		15,504,430	
\$	146,919,065	\$	157,115,048	\$	163,557,265	\$	174,232,069	\$	192,902,417	\$	195,206,692	
<hr/>												
\$	770,344	\$	654,241	\$	737,376	\$	641,315	\$	593,670	\$	2,130,339	
	2,080,283		2,127,643		2,298,336		2,757,854		3,611,829		3,419,635	
\$	2,850,627	\$	2,781,884	\$	3,035,712	\$	3,399,169	\$	4,205,499	\$	5,549,974	
<hr/>												
\$	120,308,521	\$	139,712,442	\$	134,351,230	\$	148,487,366	\$	158,744,141	\$	164,447,814	
	17,078,354		15,883,427		21,353,146		14,014,432		12,748,833		17,384,787	
	12,382,817		4,301,063		10,888,601		15,129,440		25,614,942		18,924,065	
\$	149,769,692	\$	159,896,932	\$	166,592,977	\$	177,631,238	\$	197,107,916	\$	200,756,666	

West Des Moines Community School District

Expenses, Program Revenues and Net (Expense) Revenue

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2004	2005	2006	2007
Expenses:				
Governmental activities:				
Instruction	\$ 43,091,363	\$ 45,983,491	\$ 48,369,475	\$ 51,159,998
Support services	23,293,867	24,052,185	23,988,291	28,042,111
Noninstructional programs	452,045	470,095	429,508	414,066
Other	7,548,005	4,364,405	8,166,432	2,328,250
Interest on long-term debt	1,905,422	1,594,395	1,308,279	1,034,964
Total governmental activities	76,290,702	76,464,571	82,261,985	82,979,389
Business-type activities:				
Nutrition	2,875,927	3,237,532	3,360,467	3,795,831
Community education	2,138,390	2,184,190	2,187,360	2,296,115
Preschool regular education	-	-	106,262	192,271
Student construction	-	-	4,336	-
Total business-type activities	5,014,317	5,421,722	5,658,425	6,284,217
Total primary government expenses	81,305,019	81,886,293	87,920,410	89,263,606
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	4,041,320	4,041,145	4,600,966	4,377,162
Support services	186,330	288,278	499,453	-
Noninstructional programs	31,651	16,021	-	-
Operating grants and contributions	6,022,542	6,213,846	7,133,032	8,494,738
Capital grants and contributions	-	-	-	-
Total governmental activities	10,281,843	10,559,290	12,233,451	12,871,900
Business-type activities:				
Charges for services:				
Nutrition	2,219,080	2,311,625	2,423,275	2,493,675
Community education	2,149,003	2,256,705	2,410,950	2,620,447
Preschool regular education	-	-	1,560	-
Student construction	-	-	130,464	63,688
Operating grants and contributions	834,558	905,224	895,014	1,111,885
Capital grants and contributions	-	-	-	-
Total business-type activities	5,202,641	5,473,554	5,861,263	6,289,695
Total primary government revenues	15,484,484	16,032,844	18,094,714	19,161,595
Net (expense) revenues:				
Governmental activities	(66,008,859)	(65,905,281)	(70,028,534)	(70,107,489)
Business-type activities	188,324	51,832	202,838	5,478
Total primary government revenues	\$ (65,820,535)	\$ (65,853,449)	\$ (69,825,696)	\$ (70,102,011)

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ 59,878,678	\$ 64,340,540	\$ 66,474,308	\$ 66,020,971	\$ 64,031,921	\$ 72,787,048	
28,015,793	28,852,848	29,193,099	28,725,290	30,460,006	33,543,019	
422,971	452,155	434,290	119,681	504,947	514,568	
2,967,752	3,155,688	3,456,794	3,548,218	3,310,851	3,414,456	
798,397	545,910	265,043	357,099	1,322,932	1,387,760	
92,083,591	97,347,141	99,823,534	98,771,259	99,630,657	111,646,851	
3,837,138	4,139,227	4,134,856	4,051,189	3,837,098	4,412,926	
2,279,690	2,641,371	2,368,775	2,478,636	2,484,504	2,801,078	
194,719	210,280	213,536	162,440	162,529	174,674	
-	80,000	56,937	53,218	24,670	-	
6,311,547	7,070,878	6,774,104	6,745,483	6,508,801	7,388,678	
98,395,138	104,418,019	106,597,638	105,516,742	106,139,458	119,035,529	
4,707,977	5,910,224	6,031,974	5,656,757	6,398,639	7,215,947	
-	-	-	-	678,630	1,626,797	
-	-	-	-	-	-	
9,853,839	12,116,212	16,109,619	13,977,744	15,985,636	12,830,255	
-	-	-	-	1,509,864	118,493	
14,561,816	18,026,436	22,141,593	19,634,501	24,572,769	21,791,492	
2,581,637	2,761,252	2,763,619	2,718,971	2,638,472	2,438,304	
2,538,740	2,918,819	2,618,972	2,589,715	2,777,207	2,796,728	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,150,607	1,355,728	1,472,831	1,657,077	1,967,784	1,937,963	
-	-	-	-	15,000	1,674,887	
6,270,984	7,035,799	6,855,422	6,965,763	7,398,463	8,847,882	
20,832,800	25,062,235	28,997,015	26,600,264	31,971,232	30,639,374	
(77,521,775)	(79,320,705)	(77,681,941)	(79,136,758)	(75,057,888)	(89,855,359)	
(40,563)	(35,079)	81,318	220,280	889,662	1,459,204	
\$ (77,562,338)	\$ (79,355,784)	\$ (77,600,623)	\$ (78,916,478)	\$ (74,168,226)	\$ (88,396,155)	

West Des Moines Community School District

General Revenues and Total Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2004	2005	2006	2007
Net (expense) revenues:				
Governmental activities	\$ (66,008,859)	\$ (65,905,281)	\$ (70,028,534)	\$ (70,107,489)
Business-type activities	188,324	518,325	202,838	5,478
Total primary government net expense	(65,820,535)	(65,386,956)	(69,825,696)	(70,102,011)
General revenues and other changes in net assets:				
Governmental activities:				
General revenues:				
Taxes:				
Property taxes	41,802,072	43,601,307	44,492,182	47,730,903
Statewide sales and services tax	8,434,634	7,637,458	8,914,205	8,908,267
Utility replacement tax	971,146	936,159	905,019	925,977
Other local sources	349,931	419,132	283,958	1,556,956
State foundation aid, unrestricted	21,797,665	22,296,608	22,933,675	24,031,009
Other state sources, unrestricted	228,087	186,105	176,026	-
Investment earnings	(1,624,664)	1,447,612	1,739,251	1,904,767
Gain on disposal of capital assets	-	3,861	-	-
Miscellaneous	303,438	114,004	403,213	-
Transfers	131,613	63,269	110,725	117,300
Total governmental activities	72,393,922	76,705,515	79,958,254	85,175,179
Business-type activities:				
Other local sources	-	-	-	96,686
Investment earnings	12,008	17,225	65,682	94,273
Miscellaneous	34,797	53,934	30,566	62,830
Transfers	(131,613)	(63,269)	(110,725)	(117,300)
Total business-type activities	(84,808)	7,890	(14,477)	136,489
Total primary government	72,309,114	76,713,405	79,943,777	85,311,668
Change in net position:				
Governmental activities	6,385,063	10,800,234	9,929,720	15,067,690
Business-type activities	103,516	59,722	188,361	141,967
Total primary government	\$ 6,488,579	\$ 10,859,956	\$ 10,118,081	\$ 15,209,657

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ (77,521,775)	\$ (79,320,705)	\$ (77,381,941)	\$ (79,136,758)	\$ (75,057,888)	\$ (89,855,359)	
(40,563)	(35,079)	81,318	220,280	889,662	1,459,204	
(77,562,338)	(79,355,784)	(77,300,623)	(78,916,478)	(74,168,226)	(88,396,155)	
49,505,540	51,501,548	53,550,085	56,142,287	56,399,367	52,951,824	
8,598,401	8,818,452	8,485,639	7,087,894	7,579,856	7,881,340	
892,235	911,443	923,850	898,786	950,942	907,497	
1,679,757	2,152,257	1,800,349	1,409,137	49,880	-	
24,999,763	25,330,713	18,771,477	23,888,724	28,223,794	30,002,209	
-	-	-	-	-	-	
1,596,395	665,647	497,572	359,734	421,064	289,536	
-	-	-	-	-	-	
-	-	-	-	-	-	
5,850	136,628	95,186	25,000	103,333	127,228	
87,277,941	89,516,688	84,124,158	89,811,562	93,728,236	92,159,634	
57,802	79,290	253,444	150,117	-	-	
70,144	23,674	14,252	18,060	20,001	12,499	
-	-	-	-	-	-	
(5,850)	(136,628)	(95,186)	(25,000)	(103,333)	(127,228)	
122,096	(33,664)	172,510	143,177	(83,332)	(114,729)	
87,400,037	89,483,024	84,296,668	89,954,739	93,644,904	92,044,905	
9,756,166	10,195,983	6,442,217	10,674,804	18,670,348	2,304,275	
81,533	(68,743)	253,828	363,457	806,330	1,344,475	
\$ 9,837,699	\$ 10,127,240	\$ 6,696,045	\$ 11,038,261	\$ 19,476,678	\$ 3,648,750	

West Des Moines Community School District

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

	2004	2005	2006	2007
General Fund:				
Reserved	\$ 113,191	\$ 117,051	\$ 137,097	\$ 67,672
Unreserved	7,591,840	8,558,691	9,565,091	12,703,283
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	7,705,031	8,675,742	9,702,188	12,770,955
All other governmental funds:				
Reserved	1,430,176	752,209	641,614	333,516
Restricted	-	-	-	-
Unassigned	-	-	-	-
Unreserved, reported in:				
Special revenue funds	6,717,845	6,328,716	4,847,589	6,613,390
Capital projects funds	31,256,681	22,400,342	7,674,328	8,362,370
Total all other governmental funds	39,404,702	29,481,267	13,163,531	15,309,276
Total governmental funds	\$ 47,109,733	\$ 38,157,009	\$ 22,865,719	\$ 28,080,231

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ 55,967	\$ 63,571	\$ 47,441	\$ -	\$ -	\$ -	
13,059,705	11,550,393	10,132,152	-	-	-	
-	-	-	48,109	62,518	56,188	
-	-	-	-	1,176,520	1,301,007	
-	-	-	-	-	1,770,000	
-	-	-	13,896,876	17,459,849	14,424,333	
13,115,672	11,613,964	10,179,593	13,944,985	18,698,887	17,551,528	
361,696	366,705	-	-	-	-	
-	-	-	52,594,203	41,111,332	15,933,068	
-	-	-	-	-	(1,811,965)	
6,977,125	9,416,232	21,863,694	-	-	-	
10,414,806	6,759,589	208,286	-	-	-	
17,753,627	16,542,526	22,071,980	52,594,203	41,111,332	14,121,103	
\$ 30,869,299	\$ 28,156,490	\$ 32,251,573	\$ 66,539,188	\$ 59,810,219	\$ 31,672,631	

West Des Moines Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2004	2005	2006	2007
Local sources:				
Property taxes	\$ 41,802,072	\$ 43,601,307	\$ 44,492,182	\$ 47,730,903
Statewide sales and services tax	8,123,534	7,587,458	8,924,205	8,908,267
Utility replacement	971,146	936,159	905,019	925,977
Other local sources	3,102,763	2,887,930	3,929,720	1,875,703
Investment earnings (loss)	(1,624,664)	1,447,612	1,739,251	1,904,767
Student activities	1,362,072	1,469,563	1,174,136	4,377,162
Total local sources	53,736,923	57,930,029	61,164,513	65,722,779
State sources:				
State foundation aid	21,797,665	22,296,608	22,933,675	24,031,009
Other state sources	5,152,155	4,945,757	5,489,229	7,210,660
Total state sources	26,949,820	27,242,365	28,422,904	31,241,669
Federal sources	1,222,186	1,475,194	1,845,064	1,684,078
Total revenues	\$ 81,908,929	\$ 86,647,588	\$ 91,432,481	\$ 98,648,526

Fiscal Year											
	2008		2009		2010		2011		2012		2013
\$	49,505,540	\$	51,501,548	\$	53,550,085	\$	56,142,287	\$	56,399,367	\$	52,951,824
	8,598,401		8,818,452		7,138,043		8,083,690		7,556,656		7,858,340
	892,235		911,443		923,850		898,786		950,942		907,497
	1,931,651		2,304,699		1,935,318		1,635,937		6,530,960		7,215,717
	1,596,395		665,647		497,572		359,734		421,064		289,536
	4,549,495		5,765,422		5,894,502		5,521,807		1,447,701		1,911,051
	67,073,717		69,967,211		69,939,370		72,642,241		73,306,690		71,133,965
	27,966,365		28,485,951		22,225,013		27,433,861		31,532,435		30,002,209
	4,779,621		5,956,369		5,778,341		6,765,116		7,173,902		10,272,979
	32,745,986		34,442,320		28,003,354		34,198,977		38,706,337		40,275,188
	2,107,616		3,004,605		6,877,742		3,667,491		5,624,164		2,888,935
\$	101,927,319	\$	107,414,136	\$	104,820,466	\$	110,508,709	\$	117,637,191	\$	114,298,088

West Des Moines Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years*

(modified accrual basis of accounting)

(Unaudited)

	2004	2005	2006	2007
Instruction	\$ 42,344,118	\$ 44,885,629	\$ 46,207,978	\$ 49,132,719
Support services:				
Student support services	2,137,215	2,216,145	2,244,901	2,540,872
Instructional staff support services	2,373,555	2,467,936	2,757,027	3,730,666
General administration	1,240,684	1,313,866	881,007	2,902,980
School/building administration	3,372,496	3,485,597	3,778,110	3,896,851
Business administration	2,452,600	2,777,644	2,901,380	2,669,207
Plant operation and maintenance	5,948,868	6,547,932	7,569,820	8,453,862
Student transportation	2,306,540	2,340,252	2,768,778	3,131,766
Central support	177,745	-	-	-
Noninstructional programs	450,142	485,630	406,229	417,925
Other	5,242,969	5,400,981	6,297,320	2,122,629
Capital outlay	14,640,439	16,437,967	23,785,848	8,568,049
Debt service:				
Principal	8,675,000	5,735,000	5,950,000	5,960,000
Interest	1,933,200	1,599,863	1,348,867	1,057,038
Bond issuance costs	-	-	32,275	-
Total expenditures	\$ 93,295,571	\$ 95,694,442	\$ 106,929,540	\$ 94,584,564
Debt service as a percentage of noncapital expenditures	13.50%	9.30%	8.80%	8.20%

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

							Fiscal Year					
2008		2009		2010		2011		2012		2013		
\$	54,594,512	\$	59,824,159	\$	61,925,969	\$	60,505,485	\$	63,208,763	\$	68,764,247	
	2,696,984		2,914,955		2,894,430		3,084,473		3,288,569		3,280,527	
	4,248,509		3,819,415		4,081,780		4,347,578		4,310,078		4,763,412	
	1,843,941		1,656,342		1,748,749		1,907,523		4,086,991		2,022,910	
	3,962,645		4,321,535		4,391,135		4,471,741		4,553,847		4,617,999	
	2,832,788		3,033,593		3,599,677		2,987,958		3,097,271		3,047,268	
	8,008,586		8,591,118		7,862,209		8,079,892		8,105,239		8,756,072	
	3,152,857		3,641,335		3,468,246		3,697,114		3,985,699		4,018,546	
	-		-		-		-		-		-	
	407,431		455,637		470,486		479,502		506,046		511,282	
	2,967,752		3,155,688		3,456,794		3,548,218		3,310,851		3,414,456	
	7,605,646		12,018,829		15,124,523		19,305,367		30,064,119		33,341,453	
	6,010,000		6,275,000		6,530,000		1,150,000		4,735,000		4,665,000	
	821,688		571,713		291,600		294,211		1,194,187		1,409,645	
	-		-		-		-		-		-	
\$	99,153,339	\$	110,279,319	\$	115,845,598	\$	113,859,062	\$	134,446,660	\$	142,612,817	
	7.50%		7.00%		6.80%		1.50%		5.68%		5.40%	

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)

	2004	2005	2006	2007
Excess (deficiency) of revenues over (under) expenditures	\$ (11,386,642)	\$ (9,019,854)	\$ (15,497,059)	\$ 4,063,962
Other financing sources (uses):				
Proceeds from the sale of capital assets	19,464	3,861	12,310	1,033,250
Transfers in	5,920,704	8,505,533	9,197,860	9,920,174
Transfers out	(5,789,091)	(8,442,264)	(9,087,135)	(9,802,874)
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)	151,077	67,130	205,769	1,150,550
Net change in fund balances	\$ (11,235,565)	\$ (8,952,724)	\$ (15,291,290)	\$ 5,214,512

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ 2,773,980	\$ (2,865,183)	\$ (11,025,132)	\$ (3,350,353)	\$ (16,809,469)	\$ (28,314,729)	
9,238	15,746	25,029	9,978	81,955	49,913	
9,689,101	9,703,929	10,874,263	12,644,611	28,109,224	6,310,959	
(9,683,251)	(9,567,301)	(10,779,077)	(12,619,611)	(28,005,891)	(6,183,731)	
-	-	15,000,000	36,825,000	-	-	
-	-	-	777,990	-	-	
-	-	-	-	(104,788)	-	
-	-	-	-	10,000,000	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
15,088	152,374	15,120,215	37,637,968	10,080,500	177,141	
\$ 2,789,068	\$ (2,712,809)	\$ 4,095,083	\$ 34,287,615	\$ (6,728,969)	\$ (28,137,588)	



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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 Taxable Value	Total Direct Rate (a)
	Real Property	Personal Property	Railroad and Utilities Without Gas & Electric	Gas and Electric	Total Assessed Value		
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
2013	6,180,263,119	-	23,181,069	68,129,330	6,271,573,518	3,974,375,658	13.30184

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 and/or Iowa Department of Management

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
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	10.60847	9.54485	9.52000	12.05000
2013	11.46603	1.83581	-	13.30184	10.65855	9.98810	9.62000	12.05000

Source: Polk 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		Area XI	Special Rates for City of:			
			Clive	Urbandale	West Des Moines	Windsor Heights
Windsor Heights	Community College					
\$ 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	
13.31486	0.59018	-	0.08531	0.38435	0.38435	
13.31499	0.58466	-	0.06011	0.47069	0.47069	

West Des Moines Community School District

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

Taxpayer	2013			2004		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Valley West DM	\$ 67,650,000	1	1.70%	\$ 106,992,820	1	3.46%
Mid-America Investment Company	53,055,000	2	1.33%	55,925,360	2	1.81%
IFBF Property Management	40,250,700	3	1.01%	40,174,390	3	1.30%
West Glen	39,297,700	4	0.99%			
1776 West Lakes Parkway LC	28,782,510	5	0.72%			
Water Tower Place Shopping Center LC	26,476,300	6	0.67%			
Colby West Univ Trust	23,550,000	7	0.59%	23,263,350	5	0.75%
Deerfield Retirement Community Inc	22,143,010	8	0.56%			0.00%
Mercy Properties	19,985,030	9	0.50%			
Hy-Vee	19,833,300	10	0.50%	20,755,630	6	
Knapp 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	\$ 341,023,550		8.57%	\$ 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
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%
2013	53,294,789	52,935,461	99.33%	538,444	53,473,905	100.34%

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
2013	\$ 83,950	\$ 7,774,390	\$ 7,858,340
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

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
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	-	*	*
2013	-	10,000,000	41,275,000	51,275,000	-	*	*

Source: District records.

* Information not available

N/A = not available.



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West Des Moines Community School District

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2013
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Polk County	\$ 225,911,123	22.24%	\$ 50,242,634
City of West Des Moines	79,144,733	99.94%	79,097,246
City of Des Moines	349,159,746	0.20%	698,319
City of Clive	36,235,000	100.00%	36,235,000
City of Urbandale	47,575,432	19.61%	9,329,542
City of Windsor Heights	10,810,000	50.05%	5,410,405
Subtotal, overlapping debt	\$ 748,836,034		181,013,147
District direct debt, capital loan notes	51,275,000	100.00%	55,940,000
Total direct and overlapping debt	\$ 800,111,034		\$ 236,953,147

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.

West Des Moines Community School District

Legal Debt Margin Information Last Ten Fiscal Years (Unaudited)

	2004	2005	2006	2007
Debt limit	\$ 242,811,109	\$ 264,459,349	\$ 269,465,406	\$ 293,267,008
Total net debt applicable to limit	36,420,000	30,685,000	24,775,000	18,815,000
Legal debt margin	<u>\$ 206,391,109</u>	<u>\$ 233,774,349</u>	<u>\$ 244,690,406</u>	<u>\$ 274,452,008</u>
Total net debt applicable to the limit as a percentage of debt limit	15.00%	11.60%	9.19%	6.42%

Source: Polk County Auditor and District records.

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	<u><u>\$ 6,271,573,518</u></u>
Debt limit (5% of assessed value)	<u>\$ 313,578,676</u>
Debt applicable to limit	<u>51,275,000</u>
Legal debt margin	<u><u>\$ 262,303,676</u></u>

2008	2009	2010	2011	2012	2013
\$ 299,340,175	\$ 327,397,075	\$ 329,837,128	\$ 330,961,855	\$ 313,578,676	\$ 313,578,676
12,805,000	6,530,000	15,000,000	50,675,000	51,275,000	51,275,000
<u>\$ 286,535,175</u>	<u>\$ 320,867,075</u>	<u>\$ 314,837,128</u>	<u>\$ 280,286,855</u>	<u>\$ 262,303,676</u>	<u>\$ 262,303,676</u>
4.28%	1.99%	4.55%	15.31%	16.35%	16.35%

West Des Moines Community School District

**Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Local Option Sales Tax Revenue Bonds				Coverage
	Revenue	Principal	Debt Service Interest	Total	
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
2013	7,858,340	4,665,000	1,409,645	6,074,645	77.30

Source: District records.

West Des Moines Community School District

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

Fiscal Year	Statewide Disbursements (1)	Statewide Enrollment (Prior October Count)	Statewide Average Revenue Per Student (2)
2013	419,089,179	473,504	870
2012	401,776,847	473,493	844
2011	384,322,447	474,227	800
2010	369,625,651	477,019	770
2009	361,484,007	480,609	768
2008	366,028,059	482,584	758

(1) Fiscal year 2013 is preliminary, subject to change.

(2) Statewide Average Revenue Per Student is based on the State's projected statewide receipts for each year.

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

West Des Moines Community School District

**Estimated Receipts of the Tax Available for Distribution
(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
2014	\$ 414,377,340	476,245	\$ 870
2015	414,377,340	476,245	870
2016	414,377,340	476,245	870
2017	414,377,340	476,245	870
2018	414,377,340	476,245	870
2019	414,377,340	476,245	870
2020	414,377,340	476,245	870
2021	414,377,340	476,245	870
2022	414,377,340	476,245	870
2023	414,377,340	476,245	870
2024	414,377,340	476,245	870
2025	414,377,340	476,245	870
2026	414,377,340	476,245	870
2027	414,377,340	476,245	870
2028	414,377,340	476,245	870
2029	414,377,340	476,245	870
2030	207,188,670	476,245	435

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

Fiscal Year June 30:	Total Revenues (1)(2)	Total Enrollment	Average Per Student
2014	\$ 414,377,340	476,245	870
2015	422,664,887	478,130	884
2016	431,118,185	479,458	899
2017	439,740,548	480,183	916
2018	448,535,359	480,509	933
2019	457,506,066	480,509	952
2020	457,506,066	480,509	952
2021	457,506,066	480,509	952
2022	457,506,066	480,509	952
2023	457,506,066	480,509	952
2024	457,506,066	480,509	952
2025	457,506,066	480,509	952
2026	457,506,066	480,509	952
2027	457,506,066	480,509	952
2028	457,506,066	480,509	952
2029	457,506,066	480,509	952
2030	228,753,033	480,596	476

(1) The tax expires December 31, 2029 for Dallas County and schools will receive revenues for only one-half of fiscal year 2030.

(2) The assumption for growth in retail sales is based on the 10 year growth of Taxable Sales of approximately 2.00%.

Fiscal Years 2015 through 2019 are projected by the Iowa Department of Education. Fiscal Year 2020-2030 assumes no growth.

Source: District records.

West Des Moines Community School District

**Estimated Future Tax Revenues
(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)
2014	\$ 7,926,883	\$ 8,009,040
2015	7,926,883	8,144,940
2016	7,926,883	8,298,960
2017	7,926,883	8,452,980
2018	7,926,883	8,625,120
2019	7,926,883	8,625,120
2020	7,926,883	8,625,120
2021	7,926,883	8,625,120
2022	7,926,883	8,625,120
2023	7,926,883	8,625,120
2024	7,926,883	8,625,120
2025	7,926,883	8,625,120
2026	7,926,883	8,625,120
2027	7,926,883	8,625,120
2028	7,926,883	8,625,120
2029	7,926,883	8,625,120
2030	3,963,442	4,312,560

(1) FY2014 Tax Revenue is based on Iowa Department of Revenue estimates and includes a projection for the November 2013 reconciliation payment in the amount of \$404,000 which represents the remaining 5% of the collections estimated by the Iowa Department of Revenue.

(2) The District projects future enrollment to remain stable at 9,060. Estimated growth in District's Tax Revenue is reflective of the projected increase in the Statewide Average Revenue Per Student as previously stated.

(3) The Tax expires December 31, 2029 for Dallas County and schools will receive revenue for only one-half of the FY2030.

Source: District records.

West Des Moines Community School District

**Projected Debt Service Coverage
(Unaudited)**

Fiscal Year June 30:	Combined P&I Payments (1)	Tax Revenue (2)	Estimated Coverage
2014	\$ 952,530	\$ 7,926,883	\$ 8.32
2015	1,122,980	7,926,883	7.06
2016	1,126,285	7,926,883	7.04
2017	1,122,937	7,926,883	7.06
2018	1,122,337	7,926,883	7.06
2019	1,124,323	7,926,883	7.05
2020	1,123,894	7,926,883	7.05
2021	2,125,540	7,926,883	3.73
2022	2,123,300	7,926,883	3.73
2023	2,126,682	7,926,883	3.73
2024	2,132,184	7,926,883	3.72
2025	2,133,796	7,926,883	3.71
2026	2,136,236	7,926,883	3.71
2027	2,143,765	7,926,883	3.70
2028	2,145,140	7,926,883	3.70
2029	2,150,003	7,926,883	3.69

(1) For parity test calculation requirements of a fiscal year, per resolution, shall exclude any payment of principal or interest falling due on the first day of the fiscal year and include any payment of principal or interest falling due on the first day of the succeeding fiscal year.

(2) FY2014 tax revenue is based on Iowa Department of Revenue estimates and includes a projection for the November 2013 reconciliation payment in the amount of \$404,000 which represents the remaining 5% of the collections estimated by the Iowa Department of Revenue.

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)
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	64,104	2,653,749	345,111	38,490	4,180	5.90%
2012	64,104	N/A		N/A		5.40%
2013	64,104	N/A		N/A		4.90%

* Population figures related to 2010 Census Demographic Summary, U.S. Census Bureau

(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.



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West Des Moines Community School District

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

Employer	2013			2004		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wells Fargo Mortgage & Home Equity	8,200	1	11%	1,232	3	2%
Athene USA Corporation	1,362	2	2%			
West Des Moines School District	1,119	3	1%			0%
FBL Financial Group Inc.	972	4	1%	1,117	4	2%
Hy-Vee Inc.	842	5	1%	1,500	2	3%
MetLife	507	6	1%			0%
DataVision Resources, LLC	502	7	1%			
Sammons Financial Group	470	8	1%			
GuideOne Insurance	459	9	1%	642	5	1%
The Iowa Clinic	430	10	1%			
CitiCards/Citi Group				1,770	1	3%
ITA Group				400	6	1%
Turbine Fuel Technologies				393	7	1%
City of West Des Moines				387	8	1%
ADP National Service Center				330	9	1%
Windsor Window Wood Company				325	10	1%
All other employers	59,876		80%	44,505		85%
Total	74,739		100%	52,601		100.0%

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			
	2004	2005	2006	2007
Administration:				
Superintendent	1.0	1.0	1.0	1.0
Principals	13.3	13.3	13.3	14.0
Assistant principals	11.0	11.0	11.0	10.5
Other	10.7	10.7	13.2	13.0
Other professionals	59.9	32.9	17.0	18.0
Total supervisory	95.9	68.9	55.5	56.5
Instruction:				
Teacher	545.3	547.6	554.9	561.9
Counselor	18.5	19.5	19.5	19.5
Title I	5.0	4.0	4.0	4.0
Librarian	10.5	10.0	10.0	9.5
Total instruction	579.3	581.1	588.4	594.9
Student services:				
Nurse	7.5	3.0	3.0	3.0
Other professionals (noninstructional)	5.3	4.8	6.1	5.9
Total student services	12.8	7.8	9.1	8.9
Support and administration:				
Clerical/secretarial	71.5	71.2	55.2	49.0
Teacher assistant	131.9	143.0	162.8	202.9
Other support personnel	161.1	203.0	208.7	173.2
Crafts/trades	27.3	17.0	15.0	18.4
Total support and administration	391.8	434.2	441.7	443.5
Total	1,079.8	1,092.0	1,094.7	1,103.8

Source: District records

Full-Time Equivalent Employees as of June 30						Percentage Change
2008	2009	2010	2011	2012	2013	2004 - 2013
1.0	1.0	1.0	1.0	1.0	1.0	0.0%
14.0	14.0	14.0	14.0	14.0	13.0	-2.3%
10.5	10.5	10.5	10.0	11.0	9.0	-18.2%
13.5	13.5	13.5	13.0	13.0	13.0	21.5%
18.5	18.6	17.8	15.0	15.0	13.0	-78.3%
57.5	57.6	56.8	53.0	54.0	49.0	-48.9%
579.3	600.0	595.3	584.9	586.0	586.4	7.5%
19.5	19.0	19.0	19.6	19.6	19.6	5.9%
5.5	5.5	5.0	4.5	5.0	4.5	-10.0%
10.0	9.5	9.5	8.5	8.0	8.5	-19.0%
614.3	634.0	628.8	617.5	618.6	619.0	6.9%
3.0	3.0	3.0	2.0	2.0	2.0	-73.3%
5.1	3.9	4.4	4.9	4.1	3.1	-41.5%
8.1	6.9	7.4	6.9	6.1	5.1	-60.2%
57.7	63.9	63.3	63.3	62.9	63.2	-11.6%
211.6	220.4	202.1	180.3	192.2	194.8	47.7%
211.7	222.3	215.6	210.3	210.1	207.6	28.9%
19.4	18.0	16.0	15.0	15.0	16.0	-41.4%
500.4	524.6	497.0	468.9	480.2	481.6	22.9%
1,180.3	1,223.1	1,190.0	1,146.3	1,159.0	1,154.7	6.9%



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
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
2013	73	9,030	9,103	94,997,978	10,436	4.61	619.0	27.94

Source: District records.

West Des Moines Community School District

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

School	2004	2005	2006	2007	2008
Elementary:					
Clive (1952, 1955, 1957, 1959, 1965, 1989, 1991, 2005):					
Square feet	67,802	67,802	67,802	67,802	67,802
Number of classrooms	21	21	21	21	21
Enrollment	426	383	426	401	464
Crestview (1961, 1966, 1969, 1976, 1991, 2009):					
Square feet	59,310	59,310	59,310	59,310	59,310
Number of classrooms	22	22	22	22	22
Enrollment	522	516	493	483	473
Crossroads Park (1977, 2010):					
Square feet	60,619	60,619	60,619	60,619	60,619
Number of classrooms	21	21	21	21	21
Enrollment	520	507	529	520	546
Fairmeadows (1957, 1962, 1976, 1987, 1992, 2006):					
Square feet	51,435	51,435	51,435	51,435	51,435
Number of classrooms	21	21	21	23	23
Enrollment	487	465	473	484	487
Hillside (2004):					
Square feet	-	81,222	81,222	81,222	81,222
Number of classrooms	-	45	45	45	45
Enrollment	-	575	564	586	595
Jordan Creek (1992):					
Square feet	82,000	82,000	82,000	82,000	82,000
Number of classrooms	34	35	35	35	35
Enrollment	764	770	770	760	728
Rex Mathes (1951, 1956, 1969, 1989, 1991):					
Square feet	20,600	20,600	20,600	20,600	20,600
Number of classrooms	15	3	3	3	3
Enrollment	310	-	-	-	-
Phenix (1939,, 1992):					
Square feet	36,650	36,650	36,650	36,650	36,650
Number of classrooms	10	10	10	10	10
Enrollment	155	144	165	160	158
Western Hills (1967, 1968, 1988, 1992, 2009):					
Square feet	73,689	73,689	73,689	73,689	73,689
Number of classrooms	25	25	25	25	25
Enrollment	404	414	392	403	477
Westridge (1990, 2013):					
Square feet	81,000	81,000	81,000	81,000	81,000
Number of classrooms	32	32	32	32	32
Enrollment	739	723	724	709	686

* Information not available

(Continued)

Fiscal Year				
2009	2010	2011	2012	2013
67,802	67,802	67,802	67,802	67,802
21	21	21	21	21
455	442	505	539	474
59,310	66,362	73,414	73,414	73,414
22	25	25	25	25
492	455	565	518	478
60,619	60,619	68,875	68,875	68,875
21	21	25	25	25
551	543	542	565	548
51,435	51,435	51,435	51,435	51,435
23	23	23	23	23
498	496	521	535	535
81,222	81,222	81,222	81,222	81,222
45	45	45	45	45
614	574	600	581	535
82,000	82,000	82,000	82,000	82,000
35	35	35	35	35
726	704	738	714	689
20,600	20,600	20,600	20,600	20,600
3	3	3	3	3
-	-	-	-	-
36,650	36,650	36,650	36,650	36,650
10	10	10	10	10
139	119	128	143	114
74,755	74,755	74,755	74,755	74,755
27	27	27	27	27
505	515	571	585	576
81,000	81,000	81,000	81,000	81,000
32	32	32	32	32
671	623	660	662	587

West Des Moines Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	2004	2005	2006
Middle:			
Indian Hills (1977,1992):			
Square feet	115,074	115,074	115,074
Number of classrooms	45	45	45
Enrollment	632	638	637
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	753	665	711
High:			
Valley Southwoods Freshman (1999):			
Square feet	162,500	162,500	162,500
Number of classrooms	44	44	44
Enrollment	683	696	650
Valley (1964, 1967, 1969, 1970, 1989, 1992, 2005, 2012):			
Square feet	*	310,196	310,196
Number of classrooms	101	101	101
Enrollment	1,793	1,823	1,859
Other:			
Walnut Creek Campus Alternative High School (1957, 1970, 1989, 1991, 2012):			
Square feet	18,052	18,052	18,052
Number of classrooms	16	16	16
Enrollment	(A)	(A)	(A)

* Information not available

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

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

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
115,074	115,074	115,074	115,074	115,074	115,074	115,074
45	45	45	45	45	45	45
622	617	623	595	640	675	618
95,520	95,520	95,520	95,520	95,520	95,520	108,416
42	42	42	42	42	42	42
745	706	689	694	742	692	660
162,500	162,500	162,500	162,500	162,500	162,500	162,500
44	44	44	44	44	44	44
685	725	704	629	704	711	666
312,599	312,599	345,437	345,437	345,437	455,418	455,418
107	107	107	107	107	124	124
1,890	1,870	1,895	1,784	1,964	1,951	1,800
18,052	18,052	18,052	18,052	18,052	18,052	18,052
16	16	16	16	16	16	16
(A)	(A)	(A)	(A)	(A)	(A)	166



WEST DES MOINES
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West Des Moines Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013**

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	\$ 164,673
National School Lunch Program	10.555	77-1737	1,186,363
Commodities-Noncash, Department of Defense	10.555	77-1737	59,993
Commodities-Noncash	10.555	77-1737	159,848
Summer Food Service Program for Children	10.559	77-1737	54,089
Total nutrition cluster			<u>1,624,966</u>
Fresh Fruit and Vegetable Grant	10.582	FY 13 4557	66,210
Total U.S. Department of Agriculture			<u>1,691,176</u>
U.S. Department of Education			
<i>Passed Through State of Iowa Department of Education:</i>			
Title I - Grants to Local Educational Agencies	84.010A	42-6004525	895,691
Special Education - Grants to States IDEA, Part B	84.027	42-6004525	115,352
Vocational Education Basic Grants to States - Carl Perkins Basic Grant	84.048A	42-6004525	71,801
Title III English Language Acquisition	84.365	42-6004525	7,991
Title II - Improving Teacher Quality State Grant	84.367	42-6004525	178,491
Grants for State Assessments and Related Activities	84.369	42-6004525	58,515
			<u>1,327,841</u>
<i>Passed Through Parental Assistance Centers:</i>			
Title IID Enhancing Education through Technology	84.310	42-6004525	866
<i>Passed Through Heartland Area Education Agency:</i>			
Special Education-Grants to States IDEA, Part B	84.027	N/A	527,536
Advanced Placement Program	84.330	N/A	16,308
			<u>543,844</u>
Total U.S. Department of Education			<u>1,872,551</u>
U.S. Department of Health and Human Services			
<i>Passed Through State of Iowa Department of Health and Human Services:</i>			
Head Start	93.600	42-0680460	5,351
U.S. Department of Homeland Security			
<i>Passed Through Iowa Department of Public Defense:</i>			
FEMA Hazard Mitigation Grant	97.039	DR-1880-0003 01	118,493
Total expenditures of federal awards			<u>\$ 3,687,571</u>

See Notes to Schedule of Expenditures of Federal Awards.

West Des Moines Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of West Des Moines Community School District under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 2. Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual or accrual basis of accounting based on the fund type of the program. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles of State and Local Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Therefore, some accounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

West Des Moines Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2013**

Findings	Status	Corrective Action Plan or Other Explanation
Significant Deficiency over Federal Awards		
12-III-A The District does not have adequate documentation to support payroll costs of the program.	Not corrected.	See 2013-001
Compliance Findings over Federal Awards		
12-III-B The District incurred expenditures for the program after the period of availability had expired.	Corrected	
12-III-C The District incurred expenditures for the program in excess of the grantor approved budget.	Corrected	
Other Findings Related to Statutory Reporting		
IV-A-12 Expenditures exceeded the certified budget amount in the support services function.	Not corrected.	See IV-A-13



WEST DES MOINES
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**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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of West Des Moines Community School District's internal control.

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

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

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, 2013 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Overland Park, Kansas
October 18, 2013

**Independent Auditor's Report on Compliance For Each
Major Federal 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

Report on Compliance for Each Major Federal Program

We have audited West Des Moines Community School District's (the District) compliance 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, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-001 that we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Bohnsack & Frommelt LLP

Overland Park, Kansas
October 18, 2013

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2013**

Part I: Summary of the Independent Auditor's Results

- a) An unmodified opinion was issued on the financial statements.
- b) No material weaknesses or significant deficiencies 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: Unmodified
- 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:
 - Child Nutrition Program Cluster:
 - CFDA 10.553 School Breakfast Program
 - CFDA 10.555 National School Lunch Program
 - CFDA10.559 Summer Food Service Program for Children
 - CFDA 84.010A Title 1 Grants to Local Educational Agencies
 - CFDA 84.027 Special Education-Grants to States (IDEA, Part B)
- 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, 2013**

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:

2013-001

**U.S. Department of Education
Passed Through Heartland Area Education Agency
Special Education-Grants to States IDEA, Part B (CFDA 84.027)
Federal Award Year 2013**

**Passed Through State of Iowa Department of Education
Special Education-Grants to States IDEA, Part B (CFDA 84.027)
Federal Award Year 2013**

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.

West Des Moines Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2013

Condition: The District did not identify specific employees that are funded by the award. Rather, an allocation of the award was made to several special education salary accounts. As a result, while the District expended more than the award on special education salaries in total, the documentation does not support the program requirements and the request for reimbursement. In addition, 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 worked 100% on a single federal award program. The District does not have employee signed timesheets to support the split-funded allocations.

Context: There were 20 teachers in the special education salary accounts for this program.

Effect: The District does not have a system in place to properly document payroll costs as required by OMB Circular A-87.

Cause: The District did not specifically identify the special education positions funded by the program. The District currently does not have a process in place for signed certifications for fully funded employees of the IDEA program.

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 other federal program. The District will implement an OMB Circular A-87 compliance system for the IDEA special education program.

Compliance Findings:

No matters were reported.

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2013**

Part IV: Other Findings Related to Statutory Reporting

IV-A-13 - Certified Budget:

Finding: Expenditures for the year ended June 30, 2013 exceeded the certified budget amount in the instruction function.

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

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

Conclusion: Response accepted.

IV-B-13 - Questionable Expenditures: There were no expenditures noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-13 - 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-13 - Business Transactions: No business transactions between the District and District officials or employees were noted.

IV-E-13 - 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-13 - Board Minutes: No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-13 - Certified Enrollment: No variances in the basic enrollment data certified to the Department of Education were noted.

IV-H-13 - Supplementary Weighting: No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-I-13 - 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-13 - 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, 2013**

IV-K-13 - Categorical Funding: No instances of categorical funding being used to supplant rather than supplement other funds were noted.

IV-L-13 - 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, 2013, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$ 12,140,802
Revenues/transfers in:		
Statewide sales and services tax revenue	\$ 7,858,340	
Investment earnings	12,982	
Other local sources	210,398	
State sources	15,799	
Federal sources	118,493	
Physical plant and equipment for capital projects	<u>19,695,167</u>	27,911,179
Expenditures/transfers out:		
Instruction	2,046,164	
Support services	1,104,991	
Transfers out	6,076,145	
School infrastructure:		
Buildings	<u>32,636,646</u>	<u>41,863,946</u>
Ending balance		<u><u>\$ (1,811,965)</u></u>

For the year ended June 30, 2013, the District reduced the tax levy by not having a debt service levy of \$1.83 per \$1000 of taxable valuation 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, 2013

	Findings	Corrective Action Plan	Anticipated Date of Completion
Significant Deficiency over Federal Awards:			
2013-001	The District does not have adequate documentation to support federal program payroll costs.	See response and corrective action plan at 2013-001	Fiscal Year 2014-Paul Bobek
Other Findings Related to Required Statutory Reporting:			
IV-A-13	Expenditures exceeded the certified budget amount in the instruction function.	See response at IV-A-13	Fiscal Year 2014-Paul Bobek



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

In connection with our audit of the financial statements of the West Des Moines Community School District as of and for the year ended June 30, 2013, we identified deficiencies in internal control over financial reporting (control deficiencies).

A control deficiency 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 deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

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 financial statements will not be prevented, or detected and corrected on a timely basis.

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

Following is a description of identified control deficiencies that we determined did not constitute significant deficiencies or material weaknesses:

- 1) There is currently no reconciliation being performed between what has been entered into the Infinite Campus system by the building secretaries and the amount the building secretaries have deposited for the daily deposit. In addition, for non-student account items, which would be collections not recorded in the Infinite Campus system, there is no established receipt system to reconcile the amount collected by the building secretaries to the amounts deposited. We recommend someone independent of receipts collection, periodically generate an Infinite Campus report and compare to the actual deposits and follow up on discrepancies. In addition, we recommend periodic monitoring of activity fund accounts with comparisons to prior months on a historical basis and follow up with any unusual fluctuations.
- 2) At the Learning Resource Center, we noted an employee in the School Nutrition Program has access to accounts receivable in IFAS and also has access to the receipts collected and to IFAS general ledger posting. To improve controls over the receipts process, all receipts should be collected and prepared for deposit by someone independent of posting access. In addition, those invoicing for services provided should be independent of receipt collection.

- 3) A key control in the internal control process is the Chief Financial Officer's review of the bank statements. We recommend the review be documented by requiring the Chief Financial Officer to sign the bank reconciliations.
- 4) One of the compliance requirements for the Title 1 program is to document annual communications regarding participation of private school children in the program. Currently, the documentation is maintained by e-mail correspondence between the District and the private schools. To improve file maintenance and historical recordkeeping, we recommend documenting the correspondence and final decision regarding private school children participation in a formal letter to each private school each year.
- 5) The compensated absences expense and liability for administrative staff is tracked on a manual system. In order to improve internal controls over vacation expense, we recommend that the District investigate using their financial software to track compensated absences and rely on this software.
- 6) During our testing of the schedule of expenditures of federal awards, we noted the Summer Food program expenditures reported for the Single Audit did not agree to the District's trial balance. The amounts reported for the federal grant are required to be reconciled and supported by the District's account balances. We recommend reconciling the amounts reported as federal grant expenditures and federal grant revenues on the schedule expenditures of federal awards to the Iowa Department of Education funding and the program reimbursement requests.
- 7) The year-end sales report from the WinSnap food service program reported \$163,586.75 as a cash over/short reconciling item due to the elementary schools not entering the food service collections into the WinSnap program timely. In addition, the District currently uses a spreadsheet for unearned revenue allocations and reconciling at year-end. To improve internal controls and to ensure year-end accounts are properly adjusted, we recommend the District Finance Department reconcile the food service sales reports on a monthly basis to the IFAS General Ledger system reports and ensure reconciling items are being addressed on a timely basis and the cash over/short is de minimus. We also recommend the District investigate using the food service program to record total unearned student account balances by building.
- 8) Currently, financial reports required by federal grants are prepared by the grant administrators and directly submitted. To improve the controls over federal grant reporting, we recommend the District require financial reports to be reviewed by the Finance Department prior to submission to insure the reports have been properly reconciled to the District's financial reports and accurately report the financial activities of the program.

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

Bohnsack & Frommelt LLP

Overland Park, Kansas
October 18, 2013