

West Des Moines Community School District

Financial Report

Year Ended June 30, 2014

Comprehensive Annual Financial Report of the

West Des Moines Community School District
West Des Moines, Iowa

For the Fiscal Year Ended June 30, 2014

Official Issuing Report
Paul Bobek, CPA, Chief Financial Officer

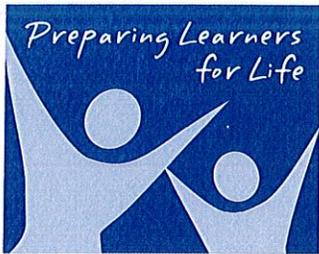
Office Issuing Report
Administrative Services Division

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WEST DES MOINES
COMMUNITY
S C H O O L S

Dr. Lisa Remy,
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 19, 2014

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, 2014. 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. In addition, the District took action to reduce \$2.7 million from the 2014-15 fiscal budget including the closing of Phenix Elementary School.

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.
Superintendent



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November 19, 2014

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, 2014 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.

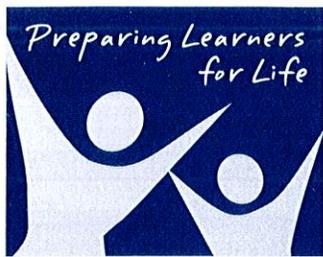
This report includes all funds of the West Des Moines Community School District. The District provides a full range of programs and services including instructional; administrative; transportation; food service; maintenance of sites and facilities; custodial; clerical; extra, co-curricular and athletic 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 2014.

Profile of the Government

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

The West Des Moines Community School District serves more than 58,000 people who live in the western portion of Polk County-West Des Moines, Clive, parts of



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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 to 9,146 at October 2014.

The District operates fourteen schools, a maintenance/transportation/warehouse facility, a stadium and the Learning Resource Center (administrative offices). Phenix Elementary School will be closed starting in fiscal year 2014-15 as part of the District's budget reductions. In addition, the District has subsequently sold an option contract to the City of West Des Moines who can purchase Phenix Elementary at appraised value and has until January 2015 to exercise this option. The West Des Moines Community School District provides a comprehensive Pre K-12 educational program and an extensive Community Education program.

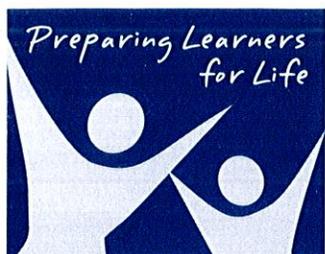
Economic Condition and Outlook

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 approximately 4% over the past 15 years. In fiscal year 2014, the increase was 9.6%.

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. In May 2014, the Board approved a plan to reduce \$2.7 million in General Fund Budget in the 2014-15 fiscal year including the closing of Phenix Elementary School. The Board of Education continues to implement the District's long range facilities plan, which was approved in March 2010. In addition, the Board has directed the Administration to review this plan so that additional Revenue Bonds are not necessary to finance the plan and the Administration has since presented a plan to make \$12.3 million in scope reductions to this plan.



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The 2013-14 school year included many stories of success. The shared vision and five guiding principles continue to be the foundation for curriculum development, integration of technology, community involvement and the learning process.

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

Remodeling at Westridge Elementary and the Learning Resource Center was completed in the late summer of 2013. Remodeling and the addition of a new music room at Fairmeadows Elementary begin in the spring of 2014 and completed in the fall. Renovations at Valley High School, including the construction of the new Performing Arts Center, continued and were placed in service in November 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 2013-14 School Year

The Valley Tigers again enjoyed a tremendous year in Athletics during the 2013-14 school year. No less than 18 teams represented West Des Moines Community Schools in the Iowa High School State Tournaments. Five of those teams finished in the top four leading Valley to a 2nd Place finish in the all sports trophy completion among large schools in Iowa.

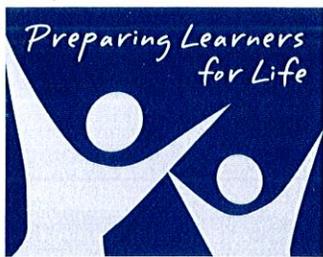
The students at Valley High School involved in Athletics were again leaders in the classroom with over a 3.1 combined GPA. The Tigers were honored with multiple Academic All State individuals as well.

Valley High Schools overall sportsmanship ratings were very high in all three areas, fans, players and coaches.

Here is a sport team breakdown:

<u>Sport</u>	<u>State Results</u>
Boys XCC	– State Qualifier
Girls XCC	– Did not Qualify
Football	– District Champs, State Semifinals (3 rd Place)
Volleyball	– Did not qualify
Boys Golf	– State Qualifier
Girls Swimming	- Third Place State
Girls Bowling	– Did not qualify
Boys Bowling	- State Qualifier
Wrestling	– Did not qualify
Girls Basketball	– Conference Champ, Regional Champ, State Quarterfinalist
Boys Basketball	– SubState Champion, State Runner-up
Boys Swimming	– 5 th Place State
Boys Soccer	– SubState Champion, State Quarterfinalist

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Girls Soccer	– Regional Champion, State Quarterfinalist
Boys Track	– Substate Champion, State Qualifier
Girls Track	– Did not qualify
Girls Tennis	– Regional Champ, State 5 th Place
Boys Tennis	– SubState Champion, 3 rd Place State
Softball	– Regional Champion, State 4 th Place
Baseball	– SubState Champion, State Quarterfinalist
Girls Golf	– State Runner-up

Valley High School continues to be represented by the students, coaches, teachers and fans dedicated to high expectations and the pursuit of excellence. Participation numbers in all sports continues to increase. Leadership by students both in the classrooms and on the playing fields remain a highlight for the Valley Athletic Department.

Other Financial Information

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that its assets are protected from loss, theft or misuse and to ensure that adequate data are compiled to allow for the preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). The internal controls are designed to provide reasonable, but no absolute, assurances that these objectives are met. The concept of reasonable recognizes that the cost of a control should not exceed the benefits likely to be derived. The valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county financial assistance, the District is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal control procedures are subject to periodic evaluation by management and external auditors.

As a part of the District's audit, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal award programs. The results of the District's audit for the fiscal year ended June 30, 2014 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

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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.

As noted in last year's report, the District deficit spent in the General Fund and projected to deficit spend again in fiscal year end 2014. Last fall, the Administration utilized the Tregoe process to make \$2.7 million in budget reductions for the 2014-15 fiscal year. This included closing Phenix Elementary School effective in August 2014. The District subsequently entered into an option contract with the City of West Des Moines granting the City until January 2015 the right to purchase Phenix Elementary at appraised value of \$535,000.

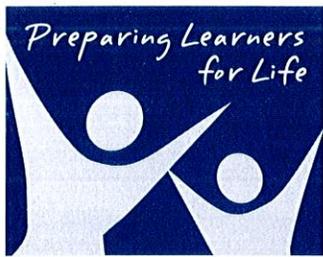
Basis of Presentation. The charts and accounts used by the District have been prepared in conformity with GAAP as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. In addition, the 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 Supplemental State Aid, formerly known as 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 Supplemental State Aid becomes increasingly important because as a District, if we are faced with declining enrollment in a given year, the amount of Supplemental State Aid often will dictate budget reductions that will take place.

Awards and Acknowledgements

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

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, 2014. The



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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-seven 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-eight 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.
Superintendent

Paul Bobek, CPA
Chief Financial Officer

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West Des Moines Community School District

**Board of Education
Year Ended June 30, 2014**

	Title	Term/Contract Expires
David J. Brown	President	September 2015
Andi Lipman	Vice President	September 2015
Elizabeth Brennan	Board Member	September 2017
Tali Greenspon	Board Member	September 2017
Dr. Kevin Carroll	Board Member	September 2015
Dr. Vicky Poole	Board Member	September 2017
Milton Cole-Duvall	Board Member	September 2015

**West Des Moines Community School District
District Administration
Year Ended June 30, 2014**

Dr. Lisa Remy	Superintendent
Dr. Laurene Lanich	Associate Superintendent of Teaching and Learning
Carol Seid	Associate Superintendent of Human Resources
Paul Bobek, CPA	Chief Financial Officer
Dr. Lori Diebel	Director of Human Resources
Janelle Green	Assistant Director Human Resources/ Director of Curriculum
Donna Gregory	Director of Business Services
Shane Scott	Director of Curriculum
Stephanie Wilson	Director of Curriculum
Kerry Ketcham	Director of Special Education
Brian Abeling	Director of Technology
Shahna Janssen	Director of Community Education
Willow Dye	Director of Nutrition Services
Elaine Watkins-Miller	Director of School/Community Relations
Jim Mollison	Valley High School Principal
Rob Boley	Valley High School Associate Principal
David Maxwell	Valley High School Associate Principal
Dr. Erika Cook	Valley High School Associate Principal
Brad Rose	Valley High School Activities Administrator
Mitch Kuhnert	Valley Southwoods Freshman High School Principal
Bryan Stearns	Valley Southwoods Freshman High School Associate Principal
Barbara Goetschel	Valley Southwoods Freshman High School Associate Principal
Shane Christensen	Indian Hills Junior High Principal
Zac Sinram	Indian Hills Junior High Assistant Principal
Tim Miller	Stilwell Junior High Principal
Eric Boyle	Stilwell Junior High Assistant Principal
Brandon Pierce	Clive Elementary School Principal
John Villotti	Crestview Elementary School Principal
Britt Cameron	Crossroads Park Elementary School Principal
Nancy Moorhead	Interim Fairmeadows Elementary School Principal
Dr. Robert Davis	Hillside Elementary School Principal
Graham Jones	Jordan Creek Elementary School Principal
Andrea Boyd	Phenix Early Childhood Center Principal/Hillside Principal
Beth Thornton	Western Hills Elementary School Principal
Mary Jane Stites	Westridge Elementary School Principal
Dr. Kim Davis	Walnut Creek Campus Principal



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, 2013

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, 2013*

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



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso".

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, 2014, 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, 2014, 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.

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 55–58 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 November 19, 2014 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
November 19, 2014



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, 2014

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, 2014. 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 \$4,189,340 and \$3,648,750 during the years ended June 30, 2014 and 2013, respectively.

Total revenues for the fiscal year ended June 30, 2014 and 2013 of \$124,633,881 and \$122,684,279 were comprised of general revenues in the amount of \$94,464,236 and \$92,044,905 and program revenues totaling \$30,169,645 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, 2014, the District's governmental funds reported combined ending fund balances of \$46,263,251, an increase of \$14,590,620 in comparison with 2013. Of the total combined fund balance, \$9,252,985 represents unassigned fund balance.

As of June 30, 2014, unassigned fund balance of the General Fund was \$9,252,985 or 9.7 percent of total General Fund expenditures. 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.

The West Des Moines Community School District's total long-term debt increased \$29,770,024 during fiscal year ended June 30, 2014 and decreased by \$4,736,635 during fiscal year ended June 30, 2013. The 2014 increase was due to the issuance of \$32,080,000 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, 2014

The statement of net position presents information on all of West Des Moines Community School District's assets, deferred outflows of resources and liabilities and deferred inflows of resources, with the difference 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, 2014

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, Management 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 55 through 58 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, 2014

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 \$200,756,666 to \$204,946,006.

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Current and other assets	\$ 140,789,700	\$ 124,116,816	\$ 4,069,977	\$ 4,130,142	\$ 144,859,677	\$ 128,246,958
Capital assets	227,719,254	209,862,130	1,901,196	2,130,339	229,620,450	211,992,469
Total assets	368,508,954	333,978,946	5,971,173	6,260,481	374,480,127	340,239,427
Noncurrent liabilities	84,299,024	54,998,558	460,004	404,647	84,759,028	55,403,205
Other liabilities	29,271,767	28,538,273	388,539	305,860	29,660,306	28,844,133
Total liabilities	113,570,791	83,536,831	848,543	710,507	114,419,334	84,247,338
Deferred inflows of resources	55,114,787	55,235,423	-	-	55,114,787	55,235,423
Net position:						
Net investment in capital assets	162,629,002	162,317,475	1,901,196	2,130,339	164,530,198	164,447,814
Restricted	18,089,610	17,384,787	-	-	18,089,610	17,384,787
Unrestricted	19,104,764	15,504,430	3,221,434	3,419,635	22,326,198	18,924,065
Total net position	\$ 199,823,376	\$ 195,206,692	\$ 5,122,630	\$ 5,549,974	\$ 204,946,006	\$ 200,756,666

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 \$164,530,198 for 2014. 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 (8.8 percent for 2014 and 8.6 percent for 2013) represents resources that are subject to external restrictions on how they may be used. These restrictions for 2014 include \$1,132,103 for categorical funding, \$2,811,892 for physical plant and equipment levy, \$777,146 for debt service, \$1,255,429 for statewide sales and services tax, \$10,680,254 for management levy, \$1,141,288 for student activities and \$291,498 for public education and recreation levy. The remaining balance of unrestricted net position, \$22,326,198 for 2014 and \$18,924,065 for 2013, 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 \$4,189,340 during the current fiscal year as compared to \$3,648,750 in 2013. The governmental activities net position increased by \$4,616,684 in 2014 and \$2,304,275 in 2013. The business-type activities, which include nutrition, community education, and preschool regular education decreased by \$427,344 in 2014 and increased by \$1,344,475 in 2013.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2014 and 2013. This table utilizes the full accrual method of accounting. Revenues less expenses yielded the change in 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, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Revenues:						
Program revenues:						
Charges for service and sales	\$ 8,901,226	\$ 8,842,744	\$ 5,018,167	\$ 5,235,032	\$ 13,919,393	\$ 14,077,776
Operating grants and contributions	14,192,480	12,830,255	2,057,772	1,937,963	16,250,252	14,768,218
Capital grants and contributions	-	118,493	-	1,674,887	-	1,793,380
General revenues:						
Property taxes and other taxes	62,610,719	61,740,661	-	-	62,610,719	61,740,661
Other local sources	71,058	-	-	-	71,058	-
State sources	31,598,458	30,002,209	-	-	31,598,458	30,002,209
Investment earnings	176,998	289,536	7,003	12,499	184,001	302,035
Total revenues	117,550,939	113,823,898	7,082,942	8,860,381	124,633,881	122,684,279
Program expenses:						
Instruction	74,101,225	72,787,048	-	-	74,101,225	72,787,048
Support services	33,104,411	33,543,019	-	-	33,104,411	33,543,019
Noninstructional programs	545,689	514,568	-	-	545,689	514,568
Other	3,596,211	3,414,456	-	-	3,596,211	3,414,456
Interest on long-term debt	1,711,719	1,387,760	-	-	1,711,719	1,387,760
School nutrition	-	-	4,603,634	4,412,926	4,603,634	4,412,926
Community education	-	-	2,680,646	2,801,078	2,680,646	2,801,078
Preschool regular education	-	-	101,006	174,674	101,006	174,674
Student construction	-	-	-	-	-	-
Total expenses	113,059,255	111,646,851	7,385,286	7,388,678	120,444,541	119,035,529
Excess of revenues over expenses before transfers						
	4,491,684	2,177,047	(302,344)	1,471,703	4,189,340	3,648,750
Transfers	125,000	127,228	(125,000)	(127,228)	-	-
Increase in net position	4,616,684	2,304,275	(427,344)	1,344,475	4,189,340	3,648,750
Net position, beginning	195,206,692	192,902,417	5,549,974	4,205,499	200,756,666	197,107,916
Net position, ending	\$ 199,823,376	\$ 195,206,692	\$ 5,122,630	\$ 5,549,974	\$ 204,946,006	\$ 200,756,666

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$117,550,939 and expenses were \$113,059,255. 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 80.1 percent of total revenues. Instruction constitutes the largest portion of expenditures at \$74,101,225 or 65.5 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, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Instruction	\$ 74,101,225	\$ 72,787,048	\$ 56,190,699	\$ 56,191,144
Support services	33,104,411	33,543,019	31,514,942	31,760,387
Noninstructional programs	545,689	514,568	545,689	514,568
Other	3,596,211	3,414,456	2,500	1,500
Interest on long-term debt	1,711,719	1,387,760	1,711,719	1,387,760
School nutrition	4,603,634	4,412,926	333,671	(1,452,991)
Community education	2,680,646	2,801,078	(14,954)	540
Preschool regular education	101,006	174,674	(9,370)	(6,753)
Student construction	-	-	-	-
Total expenses	\$ 120,444,541	\$ 119,035,529	\$ 90,274,896	\$ 88,396,155

Net cost of services is 75.0 percent of total cost of services in 2014 and 74.2 percent in 2013. The cost of governmental activities financed by users of the District's programs was 8,901,226 in 2014 and \$8,842,744 for 2013. Federal and state governments subsidized certain programs with grants and contributions totaling \$14,192,480 for 2014 and \$12,948,748 for 2013. 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, 2014

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 decrease in net position of \$425,480. For fiscal year 2013 net position increased \$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 \$164,292.

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 \$46,263,251, an increase of \$14,590,620 in comparison with the prior year fund balance of \$31,672,631. Approximately 20 percent or \$9,252,985 for 2014 and \$12,612,368 or 39.8 percent for 2013, constitutes unassigned fund balance, which is available for spending at the government's discretion. The majority of the remaining fund balance for 2014 is restricted to indicate that it is not available for new spending because it has already been restricted for other purposes, \$33,604,110. The District committed \$3,346,429 of fund balance for curriculum as of June 30, 2014.

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 \$9,252,985 and \$14,424,333 for 2013, while total fund balance reached \$13,791,241 and \$17,551,528 for 2013. 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 9.7 percent of total General Fund expenditures, and total fund balance represents approximately 14.5 percent of that same amount for 2014. For 2013, unassigned fund balance represents 15.3 percent of total General Fund expenditures, while total fund balance represents approximately 18.5 percent of that same amount.

The Management Fund fund balance increased \$4,347,341 to \$10,680,254 in 2014 from \$6,332,913 in 2013. The increase is primarily due to maintaining the tax rate in anticipation of future benefit payments.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

The Capital Projects Fund fund balance increased to \$20,358,970 in 2014 from \$6,533,353 in 2013. This increase is due to the issuance of \$32,080,000 in bonds for capital projects.

The fund balance of the District's General Fund decreased by \$3,760,287 during June 30, 2014 primarily due to a decrease in general property taxes due to a decrease in the rate pertaining to the fund.

For 2013, the fund balance of the District's General Fund decreased by \$1,147,359 from 2012 primarily due to increases in technology and supplies expenditures for instruction.

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	Variance
	Original	Final	Expenditures/ Expenses	
Instruction	\$ 68,737,828	\$ 71,131,491	\$ 69,391,097	\$ 1,740,394
Support services	33,038,268	36,623,511	33,289,107	3,334,404
Noninstructional programs	7,636,009	7,636,009	7,251,076	384,933
Other	11,094,048	41,987,825	34,336,407	7,651,418
Total	\$ 120,506,153	\$ 157,378,836	\$ 144,267,687	\$ 13,111,149

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.

The District expended less than budgeted by \$13,111,149 and received more than budgeted by \$1,280,610 due to anticipating more expenditures for capital outlay for the construction projects in process.

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 \$17,627,981 for 2014. 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, 2014

For 2013, the District recognized a total net increase of \$26,248,862. Most of the increase can be attributed to the remodeling costs for Valley High School. All were funded by the tax fund revenues.

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

Debt

As of June 30, 2014, the West Des Moines Community School District had bonds and capital loan notes outstanding totaling \$80,606,755 compared to \$51,801,850 as of June 30, 2013. In the current year, the District paid \$4,755,000 in principal and \$1,385,818 in interest on outstanding debt.

	2014	2013
Capital loan notes	\$ 37,064,593	\$ 41,897,392
Revenue bonds	43,542,162	9,904,458
	<u>\$ 80,606,755</u>	<u>\$ 51,801,850</u>

As of June 30, 2014, the District's available legal debt margin was \$236,195,930 compared to \$267,238,754 as of 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 2013-14
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	
	Early retirement	\$ 3,760,106	\$ 2,345,652	\$ -	\$ -	\$ 3,760,106	
Compensated absences	420,769	407,167	32,503	40,986	453,272	448,153	1.1%
Net OPEB liability	7,373,996	6,469,353	460,004	404,647	7,834,000	6,874,000	12.3%
Total	<u>\$ 11,554,871</u>	<u>\$ 9,222,172</u>	<u>\$ 492,507</u>	<u>\$ 445,633</u>	<u>\$ 12,047,378</u>	<u>\$ 9,667,805</u>	19.8%

Additional information about the District's long-term debt can be found in Note 6 and Note 7 to the financial statements.

West Des Moines Community School District

Management's Discussion and Analysis Year Ended June 30, 2014

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 2014, the increase was 1.4%.

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

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

In recent years, the state of Iowa faced an economic downturn that severely hampered its ability to fund schools at the same level as in prior years. After two consecutive years of 4.5 percent declines in the state's net receipts, in 2011 the state's net receipts increased by 5.8 percent. For at least the next few years, the District expects to receive inadequate funding for state aid and other state-funded programs. The legislature as established the 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, 2014

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, 2014**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents and investments	\$ 78,009,822	\$ 2,268,029	\$ 80,277,851
Restricted cash, cash equivalents and investments	4,610,137	-	4,610,137
Receivables:			
Property taxes	55,419,950	-	55,419,950
Other	4,014,822	225,479	4,240,301
Inventories	59,724	251,714	311,438
Internal balances	(1,324,755)	1,324,755	-
Total current assets	140,789,700	4,069,977	144,859,677
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	4,173,998	15,000	4,188,998
Construction-in-progress	28,188,036	-	28,188,036
Depreciable:			
Buildings and improvements	260,828,705	-	260,828,705
Machinery and equipment	12,654,813	3,748,828	16,403,641
Accumulated depreciation	(78,126,298)	(1,862,632)	(79,988,930)
Total noncurrent assets	227,719,254	1,901,196	229,620,450
Total assets	\$ 368,508,954	\$ 5,971,173	\$ 374,480,127

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	8,400,005	178,856	8,578,861
Claims payable	2,255,000	-	2,255,000
Accrued liabilities	8,762,901	-	8,762,901
Unearned revenue	1,514,088	177,180	1,691,268
Capital loan notes	4,855,000	-	4,855,000
Revenue bonds	485,000	-	485,000
Compensated absences	420,769	32,503	453,272
Liability for early retirement	2,101,833	-	2,101,833
Accrued interest payable	477,171	-	477,171
Total current liabilities	29,271,767	388,539	29,660,306
Noncurrent liabilities:			
Capital notes	32,209,593	-	32,209,593
Revenue bonds	43,057,162	-	43,057,162
Liability for early retirement	1,658,273	-	1,658,273
Net OPEB liability	7,373,996	460,004	7,834,000
Total noncurrent liabilities	84,299,024	460,004	84,759,028
Total liabilities	113,570,791	848,543	114,419,334
Deferred inflows of resources, unavailable revenue	55,114,787	-	55,114,787
Net Position			
Net investment in capital assets	162,629,002	1,901,196	164,530,198
Restricted for:			
Categorical funding	1,132,103	-	1,132,103
Physical plant and equipment levy	2,811,892	-	2,811,892
Debt service	777,146	-	777,146
Statewide sales and services tax	1,255,429	-	1,255,429
Management levy	10,680,254	-	10,680,254
Public education and recreation levy	291,498	-	291,498
Student activities	1,141,288	-	1,141,288
Unrestricted	19,104,764	3,221,434	22,326,198
Total net position	\$ 199,823,376	\$ 5,122,630	\$ 204,946,006

West Des Moines Community School District

**Statement of Activities
Year Ended June 30, 2014**

	Functions/Programs	Expenses
Primary Government:		
Governmental activities:		
Instruction		\$ 74,101,225
Support services		33,104,411
Noninstructional programs		545,689
Other		3,596,211
Interest on long-term debt		1,711,719
Total governmental activities		<u>113,059,255</u>
Business-type activities:		
School nutrition		4,603,634
Community education		2,680,646
Preschool regular education		101,006
Total business-type activities		<u>7,385,286</u>
Total primary government		<u>\$ 120,444,541</u>
General revenues and transfers:		
General revenues:		
Property taxes for general purposes		
Property taxes for specific purposes		
Statewide sales and services tax		
Utility replacement tax		
State foundation aid, unrestricted		
Investment earnings		
Other		
Transfers		
Total general revenues and transfers		
Change in net 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 Position		
Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 7,317,855	\$ 10,592,671	\$ -	\$ (56,190,699)	\$ -	\$ (56,190,699)
1,583,371	6,098	-	(31,514,942)	-	(31,514,942)
-	-	-	(545,689)	-	(545,689)
-	3,593,711	-	(2,500)	-	(2,500)
-	-	-	(1,711,719)	-	(1,711,719)
<u>8,901,226</u>	<u>14,192,480</u>	<u>-</u>	<u>(89,965,549)</u>	<u>-</u>	<u>(89,965,549)</u>
2,322,567	1,947,396	-	-	(333,671)	(333,671)
2,695,600	-	-	-	14,954	14,954
-	110,376	-	-	9,370	9,370
<u>5,018,167</u>	<u>2,057,772</u>	<u>-</u>	<u>-</u>	<u>(309,347)</u>	<u>(309,347)</u>
<u>\$ 13,919,393</u>	<u>\$ 16,250,252</u>	<u>\$ -</u>	<u>(89,965,549)</u>	<u>(309,347)</u>	<u>(90,274,896)</u>
			38,112,555	-	38,112,555
			15,675,380	-	15,675,380
			7,927,921	-	7,927,921
			894,863	-	894,863
			31,598,458	-	31,598,458
			176,998	7,003	184,001
			71,058	-	71,058
			125,000	(125,000)	-
			<u>94,582,233</u>	<u>(117,997)</u>	<u>94,464,236</u>
			4,616,684	(427,344)	4,189,340
			195,206,692	5,549,974	200,756,666
			<u>\$ 199,823,376</u>	<u>\$ 5,122,630</u>	<u>\$ 204,946,006</u>



WEST DES MOINES
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West Des Moines Community School District

**Balance Sheet
Governmental Funds
June 30, 2014**

	General	Special Revenue Management	Capital Projects	Nonmajor Governmental Funds	Total
Assets					
Cash, cash equivalents and investments	\$ 24,198,764	\$ 13,271,460	\$ 18,246,032	\$ 1,550,152	\$ 57,266,408
Restricted cash, cash equivalents and investments	-	-	4,610,137	-	4,610,137
Receivables:					
Property taxes	43,662,332	3,860,153	7,337,936	559,529	55,419,950
Due from other governments	2,257,084	-	1,653,429	-	3,910,513
Other	99,125	5,184	-	-	104,309
Inventories	59,724	-	-	-	59,724
Total assets	\$ 70,277,029	\$ 17,136,797	\$ 31,847,534	\$ 2,109,681	\$ 121,371,041
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 4,091,349	\$ 15,161	\$ 3,790,413	\$ 109,569	\$ 8,006,492
Accrued liabilities	8,762,901	-	-	-	8,762,901
Claims payable	-	525,000	-	-	525,000
Unearned revenue	185,898	-	-	10,879	196,777
Liability for early retirement	-	2,101,833	-	-	2,101,833
Total liabilities	13,040,148	2,641,994	3,790,413	120,448	19,593,003
Deferred inflows of resources, Unavailable revenue:					
Succeeding year property tax	43,445,640	3,814,549	7,298,151	556,447	55,114,787
Statewide sales and services tax	-	-	400,000	-	400,000
Total deferred inflows of resources	43,445,640	3,814,549	7,698,151	556,447	55,514,787
Fund balances:					
Nonspendable, inventories	59,724	-	-	-	59,724
Restricted for:					
Categorical funding	1,132,103	-	-	-	1,132,103
Physical plant and equipment	-	-	2,811,892	-	2,811,892
Debt service	-	-	4,610,137	-	4,610,137
School infrastructure	-	-	12,936,941	-	12,936,941
Management levy	-	10,680,254	-	-	10,680,254
Public education and recreation levy	-	-	-	291,498	291,498
Student activities	-	-	-	1,141,288	1,141,288
Committed for curriculum	3,346,429	-	-	-	3,346,429
Unassigned	9,252,985	-	-	-	9,252,985
Total fund balances	13,791,241	10,680,254	20,358,970	1,432,786	46,263,251
Total liabilities, deferred inflows of resources and fund balances	\$ 70,277,029	\$ 17,136,797	\$ 31,847,534	\$ 2,109,681	\$ 121,371,041

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, 2014**

Total fund balances		\$ 46,263,251
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		227,719,254
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 unavailable in the funds		400,000
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 position:		
Other current assets	20,743,414	
Other current liabilities	<u>(3,440,824)</u>	17,302,590
Internal Service Fund allocated to business-type activities		(1,324,755)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(477,171)	
Capital notes, current	(4,855,000)	
Capital notes, noncurrent	(31,665,000)	
Premium on capital notes	(544,593)	
Revenue bonds, current	(485,000)	
Revenue bonds, noncurrent	(41,595,000)	
Discount on revenue bonds	89,378	
Premium on revenue bonds	(1,551,540)	
Compensated absences, current	(420,769)	
Liability for early retirement, noncurrent	(1,658,273)	
Other postemployment benefits payable	<u>(7,373,996)</u>	<u>(90,536,964)</u>
Net position of governmental activities		<u><u>\$ 199,823,376</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, 2014**

	General	Special Revenue Management	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:					
Property taxes and other local sources:					
Property taxes	\$ 38,112,555	\$ 7,997,326	\$ 7,137,468	\$ 540,586	\$ 53,787,935
Statewide sales and services tax	-	-	7,925,921	-	7,925,921
Utility replacement	637,588	134,734	113,434	9,107	894,863
Other local sources	917,248	153,364	267,149	587,899	1,925,660
Investment earnings	119,116	28,207	24,980	4,695	176,998
Student activities	204,068	-	-	1,475,952	1,680,020
Intermediary sources	130,197	-	-	-	130,197
Tuition/transportation	4,830,065	-	-	-	4,830,065
State sources:					
State foundation aid	31,598,458	-	-	-	31,598,458
Other state sources	11,734,457	1,715	1,462	116	11,737,750
Federal sources	2,793,147	-	-	-	2,793,147
Total revenues	91,076,899	8,315,346	15,470,414	2,618,355	117,481,014
Expenditures:					
Current:					
Instruction	64,804,840	6,750	2,461,142	1,864,588	69,137,320
Support services:					
Student	3,435,195	-	-	-	3,435,195
Instructional staff	4,588,854	-	-	4,267	4,593,121
General administration	656,255	2,317,710	922,338	24,927	3,921,230
School building administration	4,517,735	-	-	-	4,517,735
Business administration	2,816,070	-	318,564	25,909	3,160,543
Plant operation and maintenance	7,014,754	1,643,545	237,136	50,008	8,945,443
Student transportation	3,540,782	-	602,328	2,202	4,145,312
Noninstructional programs	-	-	-	534,005	534,005
Other:					
Other	-	-	-	2,500	2,500
AEA support - direct to AEA	3,593,711	-	-	-	3,593,711
Capital outlay	-	-	24,355,046	-	24,355,046
Debt service:					
Bond issuance costs	-	-	244,332	-	244,332
Principal	-	-	-	4,755,000	4,755,000
Interest	-	-	-	1,385,818	1,385,818
Total expenditures	94,968,196	3,968,005	29,140,886	8,649,224	136,726,311
Excess (deficiency) of revenues under (over) expenditures	(3,891,297)	4,347,341	(13,670,472)	(6,030,869)	(19,245,297)
Other financing sources (uses):					
Issuance of bonds	-	-	32,080,000	-	32,080,000
Premium on bond issuance	-	-	1,559,407	-	1,559,407
Transfers in	135,000	-	-	6,218,818	6,353,818
Transfers (out)	(75,500)	-	(6,143,318)	(10,000)	(6,228,818)
Proceeds from sale of capital assets	71,510	-	-	-	71,510
Total other financing sources (uses)	131,010	-	27,496,089	6,208,818	33,835,917
Net change in fund balance	(3,760,287)	4,347,341	13,825,617	177,949	14,590,620
Fund balances, beginning of year	17,551,528	6,332,913	6,533,353	1,254,837	31,672,631
Fund balances, end of year	\$ 13,791,241	\$ 10,680,254	\$ 20,358,970	\$ 1,432,786	\$ 46,263,251

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, 2014

Net change in fund balances - total governmental funds		\$ 14,590,620
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	25,666,517	
Depreciation expense by function:		
Instruction	(6,457,145)	
Support services	(1,348,663)	
Proceeds from sale of capital assets	(71,510)	
Gain on sale of capital assets	67,925	17,857,124
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Sales tax		2,000
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of long-term debt increases liabilities in the statement of net assets, while the repayment of long-term debt reduces long-term liabilities.		
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Issuance of long-term debt	(32,080,000)	
Premium on issuance of bonds	(1,559,407)	
Repayment of bond principal	4,755,000	
Accretion of premium	85,666	
Amortization of discount	(6,164)	
Interest	(161,071)	(28,965,976)
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.		2,383,169
Change in Internal Service Fund allocation to business-type activities.		(156,090)
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	(13,602)	
Change in liability for early retirement:		
Instruction	(91,477)	
Support	(81,802)	
Noninstructional programs	(2,639)	
Change in liability for other postemployment benefits:		
Instruction	(642,362)	
Support	(253,236)	
Noninstructional programs	(9,045)	(1,094,163)
Change in net position of governmental activities		<u>\$ 4,616,684</u>

See Notes to Basic Financial Statements.

West Des Moines Community School District

Statement of Net Position
 Proprietary Funds
 June 30, 2014

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Assets		
Current assets:		
Cash, cash equivalents and investments	\$ 2,268,029	\$ 20,743,414
Other receivables	150,907	-
Due from other governments	74,572	-
Inventories	251,714	-
Total current assets	2,745,222	20,743,414
Noncurrent assets:		
Capital assets:		
Land	15,000	-
Machinery and equipments	3,748,828	-
Less accumulated depreciation	(1,862,632)	-
Total noncurrent assets	1,901,196	-
Total assets	4,646,418	20,743,414
Liabilities		
Current liabilities:		
Accounts payable	178,856	393,513
Compensated absences	32,503	-
Claims payable	-	1,730,000
Unearned revenue	177,180	1,317,311
Total current liabilities	388,539	3,440,824
Long-term liabilities, net OPEB liability	460,004	-
Total liabilities	848,543	3,440,824
Net Position		
Net investment in capital assets	1,901,196	-
Unrestricted	1,896,679	17,302,590
Total net position	\$ 3,797,875	\$ 17,302,590

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, 2014

Total enterprise funds net position \$ 3,797,875

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.

1,324,755

Net position of business-type activities

\$ 5,122,630

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, 2014

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Operating revenues:		
Food sales	\$ 2,322,567	\$ -
Sale of services	2,695,600	-
Charges for services	-	14,076,567
Total operating revenues	5,018,167	14,076,567
Operating expenses:		
Salaries	3,254,774	-
Employee benefits	1,258,686	-
Purchased services	363,273	1,395,918
Food consumed	1,896,373	-
Supplies	487,408	142,201
Depreciation	229,398	-
Claims and administration	-	10,155,279
Other	36,231	-
Total operating expenses	7,526,143	11,693,398
Operating income (loss)	(2,507,976)	2,383,169
Nonoperating revenues (expenses):		
Federal food commodities	294,181	-
Federal appropriations	1,540,183	-
State appropriations	138,953	-
Interest	7,003	-
Loss on disposal of capital assets and assets held for resale	(15,233)	-
Other	84,455	-
Total nonoperating revenues (expenses)	2,049,542	-
Income (loss) before transfers	(458,434)	2,383,169
Transfers in	3,040	-
Transfers (out)	(128,040)	-
Change in net position	(583,434)	2,383,169
Net position, beginning of year	4,381,309	14,919,421
Net position, end of year	\$ 3,797,875	\$ 17,302,590

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, 2014**

Net changes in net position in enterprise funds (583,434)

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.

156,090

Change in net position of business-type activities

\$ (427,344)

See Notes to Basic Financial Statements.

West Des Moines Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2014**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from financing activities:		
Receipts from customers and users	\$ 5,091,714	14,132,724
Payments to suppliers	(2,542,289)	(1,322,336)
Payments to employees	(4,466,586)	-
Claims paid	-	(10,155,279)
Net cash provided by (used in) operating activities	(1,917,161)	2,655,109
Cash flows from noncapital financial activities:		
Federal and state appropriations received	1,710,290	-
Transfers in	3,040	-
Transfers (out)	(128,040)	-
Other, local donations and grants	84,455	-
Net cash provided by noncapital financing activities	1,669,745	-
Cash flows from capital and related financing activities:		
Proceeds from the sale of capital assets	1,192	-
Purchase of capital assets	(16,680)	-
Net cash (used in) capital and related financing activities	(15,488)	-
Cash flows from investing activities, interest received	7,003	-
Net increase (decrease) in cash and cash equivalents	(255,901)	2,655,109
Cash and cash equivalents, beginning of year	2,523,930	18,088,305
Cash and cash equivalents, end of year	\$ 2,268,029	\$ 20,743,414

(Continued)

West Des Moines Community School District

Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2014

	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)	(2,507,976)	2,383,169
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	229,398	-
Federal food commodities used	294,181	-
Change in assets and liabilities:		
Receivables	1,358	17,350
Inventories	(72,158)	-
Accounts payable	18,973	215,783
Compensated absences	(8,483)	-
Claims payable	-	-
Unearned revenue	72,189	38,807
Net OPEB liability	55,357	-
Net cash provided by (used in) operating activities	\$ (1,917,161)	\$ 2,655,109
Schedule of noncash items:		
Noncapital financing activities, federal commodities	\$ 294,181	\$ -

See Notes to Financial Statements.

West Des Moines Community School District

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2014

	<u>Flower</u>
Assets	
Cash, cash equivalents and investments	\$ <u>93,127</u>
Liabilities and Fund Equity	
Due to private individuals	\$ <u>93,127</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, 2014

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 2013-2014 school year was 9054 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, 2014

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, 2014

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

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

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.

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, 2014

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 position and changes in net position. 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, 2014

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 2013 based on 2012 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, 2014

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, 2014

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, 2014

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, 2014.

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.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2014

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

Net investment in capital assets excludes unspent bond proceeds of \$15,516,503.

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 \$2,811,892 for physical plant and equipment levy, \$4,610,137 for debt service, \$12,936,941 for statewide sales and services tax, \$10,680,254 for management levy and \$291,498 for public education and recreation levy. All other restricted net position consists of \$1,132,103 for categorical funding and \$1,141,288 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, 2014

Note 3. Cash and Cash Equivalents and Investments

The District's deposits in banks as of June 30, 2014 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, 2014, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$4,610,137 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	\$ 135,000	\$ 75,500
Capital Projects Fund	-	6,143,318
Other nonmajor governmental funds	6,218,818	10,000
Other nonmajor enterprise fund	3,040	128,040
	<u>\$ 6,356,858</u>	<u>\$ 6,356,858</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, 2014**

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, 2014.

Note 5. Capital Assets

Capital asset activity for the governmental activities for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,173,998	\$ -	\$ -	\$ 4,173,998
Construction-in-progress	48,389,340	24,202,881	44,404,185	28,188,036
Total capital assets, not being depreciated	52,563,338	24,202,881	44,404,185	32,362,034
Capital assets, being depreciated:				
Buildings and improvements	215,791,838	45,036,867	-	260,828,705
Machinery and equipment	11,987,307	830,954	163,448	12,654,813
Total capital assets, being depreciated	227,779,145	45,867,821	163,448	273,483,518
Accumulated depreciation:				
Buildings and improvements	61,575,475	6,592,509	-	68,167,984
Machinery and equipment	8,904,878	1,213,299	159,863	9,958,314
Total accumulated depreciation	70,480,353	7,805,808	159,863	78,126,298
Total capital assets, being depreciated, net	157,298,792	38,062,013	3,585	195,357,220
Governmental activities capital assets, net	\$ 209,862,130	\$ 62,264,894	\$ 44,407,770	\$ 227,719,254

West Des Moines Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2014**

Note 5. Capital Assets (Continued)

Capital asset activity for the business-type activities for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014
Business-type activities:				
Capital assets, not being depreciated, land	\$ 15,000	\$ -	\$ -	\$ 15,000
Capital assets, being depreciated, machinery and equipment	3,787,636	16,680	55,488	3,748,828
Accumulated depreciation, machinery and equipment	1,672,297	229,398	39,063	1,862,632
Total capital assets, being depreciated, net	2,115,339	(212,718)	16,425	1,886,196
Business-type activities capital assets, net	\$ 2,130,339	\$ (212,718)	\$ 16,425	\$ 1,901,196

Depreciation expense was charged to the functions as follows:

Governmental activities:	
Instruction	\$ 6,457,145
Support services	1,348,663
Total depreciation expense, governmental activities	\$ 7,805,808
Business-type activities, nutrition	\$ 229,398

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2014

Note 6. Long-Term Debt

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

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Balances Due Within One Year
Governmental activities:					
Capital loan notes, Series 2010	\$ 11,455,000	\$ -	\$ 1,255,000	\$ 10,200,000	\$ 1,290,000
Capital loan notes, Series 2011	29,820,000	-	3,500,000	26,320,000	3,565,000
Premium on capital loan notes, Series 2011	622,392	-	77,799	544,593	-
Revenue bonds, Series 2012	10,000,000	-	-	10,000,000	-
Discount on revenue bonds, Series 2012	(95,542)	-	(6,164)	(89,378)	-
Revenue bonds, Series 2013	-	9,760,000	-	9,760,000	485,000
Premium on revenue bonds, Series 2013	-	236,015	7,867	228,148	-
Revenue bonds, Series 2014	-	22,320,000	-	22,320,000	-
Premium on revenue bonds, Series 2014	-	1,323,392	-	1,323,392	-
Compensated absences	407,167	567,199	553,597	420,769	420,769
Net OPEB liability	6,469,353	1,645,940	741,297	7,373,996	-
Total	\$ 58,678,370	\$ 35,852,546	\$ 6,129,396	\$ 88,401,520	\$ 5,760,769
Business-type activities,					
Compensated absences	\$ 40,986	\$ 29,001	\$ 37,484	\$ 32,503	\$ 32,503
Net OPEB liability	404,647	105,060	49,703	460,004	-
	\$ 445,633	\$ 134,061	\$ 87,187	\$ 492,507	\$ 32,503

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 \$10,200,000 as of June 30, 2014. 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 \$26,320,000 as of June 30, 2014. 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, 2014

Note 6. Long-Term Debt (Continued)

Revenue bonds:

- On April 5, 2012, The District issued \$10,000,000 in School Infrastructure Sales, 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 2012 bonds is \$13,058,360. During the year ended June 30, 2014, no principal was paid on the 2012 bonds and \$255,390 of interest was paid on the bonds.
- On December 23, 2013, the District issued \$9,760,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2013 to finance school infrastructure projects. The bonds bear interest at rates ranging from 3.00 percent to 4.00 percent and had an unpaid balance of \$9,760,000. The revenue bonds will be repaid using statewide sales, services and use tax collected in the Capital Projects 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 2013 bonds is \$12,597,050. During the year ended June 30, 2014, no principal or interest was paid on the 2013 bonds.
- On June 24, 2014, the District issued \$22,320,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2014 to finance school infrastructure projects. The bonds bear interest at rates ranging from 2.00 percent to 5.00 percent and had an unpaid balance of \$22,320,000. The revenue bonds will be repaid using statewide sales, services and use tax collected in the Capital Projects 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 2014 bonds is \$29,051,218. During the year ended June 30, 2014, no principal or interest was paid on the 2014 bonds.

The statewide sales, services and use tax revenues were \$7,925,921 for the year ended June 30, 2014.

West Des Moines Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2014**

Note 6. Long-Term Debt (Continued)

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, 2014, there was \$128,197, \$648,949, and none deposited in the sinking account for the 2012, 2013 and 2014 bonds respectively.
- 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, 2014, there was \$979,069, \$798,504 and \$2,055,418 deposited in the revenue account for the 2012, 2013 and 2014 bonds respectively.
- If monies in the sinking fund exceed the required amount, the excess shall be transferred to the revenue account.

Annual debt service requirements on all outstanding indebtedness as of June 30, 2014, are as follows:

Year ending June 30:	Capital Loan Notes, Series 2010		
	Principal	Interest	Total
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	1,510,000	140,883	1,650,883
2020-2021	3,205,000	150,105	3,355,105
Totals	\$ 10,200,000	\$ 1,193,673	\$ 11,393,673

Year ending June 30:	Capital Loan Notes, Series 2011		
	Principal	Interest	Total
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	3,805,000	298,800	4,103,800
2020-2021	7,960,000	593,575	8,553,575
Subtotal	26,320,000	3,501,275	29,821,275
Plus unamortized premium	544,593	-	544,593
Totals	\$ 26,864,593	\$ 3,501,275	\$ 30,365,868

West Des Moines Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2014**

Note 6. Long-Term Debt (Continued)

Year ending June 30:	Revenue Bonds, Series 2012		
	Principal	Interest	Total
2015	-	255,390	255,390
2016	-	255,390	255,390
2017	-	255,390	255,390
2018	-	255,390	255,390
2019	-	255,390	255,390
2020-2024	3,065,000	1,178,008	4,243,008
2025-2029	5,690,000	584,727	6,274,727
2030	1,245,000	18,675	1,263,675
Subtotal	10,000,000	3,058,360	13,058,360
Less unamortized discount	(89,378)	-	(89,378)
Totals	\$ 9,910,622	\$ 3,058,360	\$ 12,968,982

Year ending June 30:	Revenue Bonds, Series 2013		
	Principal	Interest	Total
2015	485,000	313,647	798,647
2016	495,000	291,970	786,970
2017	510,000	276,895	786,895
2018	525,000	261,370	786,370
2019	545,000	245,320	790,320
2020-2024	2,970,000	968,225	3,938,225
2025-2029	3,465,000	464,323	3,929,323
2030	765,000	15,300	780,300
Subtotal	9,760,000	2,837,050	12,597,050
Plus unamortized premium	228,148	-	228,148
Totals	\$ 9,988,148	\$ 2,837,050	\$ 12,825,198

West Des Moines Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2014**

Note 6. Long-Term Debt (Continued)

Year ending June 30:	Revenue Bonds, Series 2014		
	Principal	Interest	Total
2015	-	404,836	404,836
2016	1,265,000	766,713	2,031,713
2017	1,280,000	728,463	2,008,463
2018	1,295,000	683,438	1,978,438
2019	1,315,000	650,863	1,965,863
2020-2024	7,035,000	2,508,838	9,543,838
2025-2029	8,275,000	957,925	9,232,925
2030	1,855,000	30,144	1,885,144
Subtotal	22,320,000	6,731,218	29,051,218
Plus unamortized premium	1,323,392	-	1,323,392
Totals	\$ 23,643,392	\$ 6,731,218	\$ 30,374,610

As of June 30, 2014, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u><u>\$ 6,295,918,607</u></u>
Debt limit, 5% of total assessed valuation	\$ 314,795,930
Amount of debt applicable to debt limit, total indebtedness	<u>78,600,000</u>
Excess of debt limit over debt outstanding, legal debt margin	<u><u>\$ 236,195,930</u></u>

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2014

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, 2014; (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 into a tax sheltered annuity benefit in December following retirement of \$18,000 plus 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 2014-2015 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.

As of June 30, 2014, the District has \$2,101,833 accrued in the Management Fund and an additional \$1,658,273 recorded in the government-wide financial statements. The current year cost to the District was \$898,251 which consisted of 123 participants in the plan. A summary of changes in liability for early retirement is shown as follows:

Balance, June 30, 2013	\$ 2,345,652
Additions	2,312,705
Reductions	898,251
Balance, June 30, 2014	<u>\$ 3,760,106</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 1192 active and 89 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

West Des Moines Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2014

Note 8. Other Postemployment Benefits (Continued)

established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

The District’s annual OPEB cost is calculated based on the annual required contribution, ARC, of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District’s annual OPEB cost for June 30, 2014, the amount actually contributed to the plan and changes in the District’s net OPEB obligation:

Annual required contribution, ARC	\$ 1,704,000
Interest on net OPEB obligation	309,000
Adjustment to annual required contribution	(262,000)
Annual OPEB cost	<u>1,751,000</u>
Contributions made	<u>791,000</u>
Increase in net OPEB obligation	960,000
Net OPEB obligation beginning of year	<u>6,874,000</u>
Net OPEB obligation end of year	<u><u>\$ 7,834,000</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, 2014.

For the year ended June 30, 2014, the District contributed \$791,000 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, 2014 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	2,327,000	44.0%	5,670,000
June 30, 2013	2,385,000	50.0%	6,874,000
June 30, 2014	1,751,000	45.2%	7,834,000

As of July 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability was \$13,437,000 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability, UAAL, of \$13,437,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$57,149,000, and the ratio of the UAAL to the covered payroll was 23.51 percent. As of June 30, 2014, there were no trust fund assets.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2014

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, 2013 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 9 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, 2013.

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 5.90 percent of their annual salary and the District is required to contribute 8.93 percent of annual payroll. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2014, 2013, and 2012 were \$5,103,438, \$4,817,002, and \$4,367,429, respectively, equal to the required contributions for each year.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2014

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, 2014 and 2013 are as follows:

	Self-Insurance Fund	
	2014	2013
Claims payable, beginning of year	\$ 1,730,000	\$ 1,730,000
Incurred claims (including IBNR and changes in estimates)	10,251,963	9,575,942
Claim payments	10,251,963	9,575,942
Claims payable, end of year	<u>\$ 1,730,000</u>	<u>\$ 1,730,000</u>

The District had approximately \$162,000 in re-insurance during the fiscal year. 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, 2014

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 years ended June 30, 2014 and 2013 are as follows:

	Workers Compensation	
	2014	2013
Claims payable, beginning of year	\$ 525,000	\$ 525,000
Incurred claims (including IBNR)	352,410	328,391
Claim payments	352,410	328,391
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 \$3,593,711 for the year ended June 30, 2014 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

Note 12. Contingencies

As of June 30, 2014, 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 \$35,000,000. The remaining contractual amounts on these projects total approximately \$6,000,000 as of June 30, 2014.

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2014

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

The District adopted the following statements during the year ended June 30, 2014:

GASB Statement No. 66, *Technical Corrections – 2012*, issued April 2012. 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. 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. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued April 2013. 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 implementation of the above statements did not have a material impact to the District's financial statements.

As of June 30, 2014, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 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).

West Des Moines Community School District

Notes to Basic Financial Statements Year Ended June 30, 2014

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

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. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68*, issued November 2013, will be effective upon the implementation of GASB Statement No. 68 beginning with the year ending June 30, 2015. This Statement amends GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

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

REQUIRED SUPPLEMENTARY INFORMATION

West Des Moines Community School District

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental and Enterprise Funds
Required Supplementary Information
Year Ended June 30, 2014**

	Governmental Funds - Actual	Proprietary Fund - Actual
Revenues:		
Local sources	\$ 71,351,659	\$ 5,109,625
State sources	43,336,208	138,953
Federal sources	2,793,147	1,834,364
Total revenues	117,481,014	7,082,942
Expenditures/expenses:		
Instruction	69,137,320	253,777
Support services	32,718,579	570,528
Noninstructional programs	534,005	6,717,071
Other expenditures	34,336,407	-
Total expenditures/expenses	136,726,311	7,541,376
Excess (deficiency) of revenues over (under) expenditures/expenses	(19,245,297)	(458,434)
Other financing sources (uses):		
Transfers in	6,353,818	3,040
Transfers (out)	(6,228,818)	(128,040)
Premium on bond issuance	1,559,407	-
Issuance of bonds	32,080,000	-
Proceeds from sale of capital assets	71,510	-
Total other financing sources (uses)	33,835,917	(125,000)
Net change in fund balance	14,590,620	(583,434)
Balance, beginning of year	31,672,631	4,381,309
Balance, end of year	\$ 46,263,251	\$ 3,797,875

See Note to Required Supplementary Information.

Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 76,461,284	\$ 76,343,664	\$ 76,343,664	\$ 117,620
43,475,161	42,568,953	42,568,953	906,208
4,627,511	4,370,729	4,370,729	256,782
<u>124,563,956</u>	<u>123,283,346</u>	<u>123,283,346</u>	<u>1,280,610</u>
69,391,097	68,737,828	71,131,491	1,740,394
33,289,107	33,038,268	36,623,511	3,334,404
7,251,076	7,636,009	7,636,009	384,933
34,336,407	11,094,048	41,987,825	7,651,418
<u>144,267,687</u>	<u>120,506,153</u>	<u>157,378,836</u>	<u>13,111,149</u>
<u>(19,703,731)</u>	<u>2,777,193</u>	<u>(34,095,490)</u>	<u>14,391,759</u>
6,356,858	6,387,268	6,387,268	(30,410)
(6,356,858)	(6,387,268)	(6,387,268)	30,410
1,559,407	-	-	1,559,407
32,080,000	-	-	32,080,000
71,510	60,000	60,000	11,510
<u>33,710,917</u>	<u>60,000</u>	<u>60,000</u>	<u>33,650,917</u>
14,007,186	2,837,193	(34,035,490)	48,042,676
36,053,940	36,053,940	36,053,940	-
<u>\$ 50,061,126</u>	<u>\$ 38,891,133</u>	<u>\$ 2,018,450</u>	<u>\$ 48,042,676</u>

West Des Moines Community School District

Note to Required Supplementary Information – Budgetary Reporting Year Ended June 30, 2014

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, 2014, the District amended the budgeted expenditures to increase the budget by \$36,872,683 primarily for capital projects.

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%
2014	7/1/2013	-	13,437	13,437	0.00%	57,149	23.51%

See Note 8 in the accompanying notes to financial statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.



WEST DES MOINES
COMMUNITY
S C H O O L S

**OTHER COMBINING AND
INDIVIDUAL FUND FINANCIAL STATEMENTS**

West Des Moines Community School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

	Special Revenue		Debt Service	Total
	Playground	Student Activity		
Assets				
Cash, cash equivalents and investments	\$ 292,702	\$ 1,257,450	\$ -	\$ 1,550,152
Receivables:				
Property taxes	559,529	-	-	559,529
Total assets	\$ 852,231	\$ 1,257,450	\$ -	\$ 2,109,681
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 4,286	\$ 105,283	-	\$ 109,569
Unearned revenue	-	10,879	-	10,879
Total liabilities	4,286	116,162	-	120,448
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	556,447	-	-	556,447
Fund balances, Restricted	291,498	1,141,288	-	1,432,786
Total liabilities, deferred inflows of resources and fund balances	\$ 852,231	\$ 1,257,450	\$ -	\$ 2,109,681

West Des Moines Community School District

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014**

	Special Revenue		Debt Service	Total
	Playground	Student Activity		
Revenues:				
Property taxes and other local sources:				
Property taxes	\$ 540,586	\$ -	\$ -	\$ 540,586
Utility replacement	9,107	-	-	9,107
Other local sources	166	587,733	-	587,899
Investment earnings	859	3,836	-	4,695
Student activities	-	1,475,952	-	1,475,952
State sources, other state sources	116	-	-	116
Total revenues	550,834	2,067,521	-	2,618,355
Expenditures:				
Current:				
Instruction	15,079	1,849,509	-	1,864,588
Support services:				
General administration	23,447	1,480	-	24,927
Business administration	7,569	18,340	-	25,909
Plant operating and maintenance	-	50,008	-	50,008
Instructional staff support services	-	4,267	-	4,267
Student transportation	2,202	-	-	2,202
Noninstructional programs	509,589	24,416	-	534,005
Other	-	-	2,500	2,500
Debt service:				
Principal	-	-	4,755,000	4,755,000
Interest	-	-	1,385,818	1,385,818
Total expenditures	557,886	1,948,020	6,143,318	8,649,224
Excess (deficiency) of revenues over (under) expenditures	(7,052)	119,501	(6,143,318)	(6,030,869)
Other financing sources (uses):				
Transfer in	-	75,500	6,143,318	6,218,818
Transfers out	(10,000)	-	-	(10,000)
	(10,000)	75,500	6,143,318	6,208,818
Net change in fund balances	(17,052)	195,001	-	177,949
Fund balances, beginning of year	308,550	946,287	-	1,254,837
Fund balances, end of year	\$ 291,498	\$ 1,141,288	\$ -	\$ 1,432,786

West Des Moines Community School District

**Schedule of Combining Balance Sheet-
Capital Projects Fund, By Account
June 30, 2014**

	Capital Projects Fund Accounts		
	Physical Plant and Equipment	Statewide Sales and Services Tax	Total
Assets			
Cash, cash equivalents and investments	\$ 2,878,616	\$ 15,367,416	\$ 18,246,032
Restricted cash, cash equivalents and investments	-	4,610,137	4,610,137
Receivables:			
Property taxes	7,337,936	-	7,337,936
Due from other governments	-	1,653,429	1,653,429
Total assets	\$ 10,216,552	\$ 21,630,982	\$ 31,847,534
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities,			
Accounts payable	\$ 106,509	\$ 3,683,904	\$ 3,790,413
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	7,298,151	-	7,298,151
Sales and services tax	-	400,000	400,000
Total deferred inflows of resources	7,298,151	400,000	7,698,151
Fund balances:			
Restricted for:			
Physical plant and equipment	2,811,892	-	2,811,892
Debt service	-	4,610,137	4,610,137
School infrastructure	-	12,936,941	12,936,941
Total fund balances	2,811,892	17,547,078	20,358,970
Total liabilities, deferred inflows of resources and fund balances	\$ 10,216,552	\$ 21,630,982	\$ 31,847,534

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, 2014**

	Capital Projects Fund Accounts		
	Physical Plant and Equipment	Statewide Sales and Services Tax	Total
Revenues:			
Property taxes and other local sources:			
Property taxes	\$ 7,137,468	\$ -	\$ 7,137,468
Statewide sales and services tax	-	7,925,921	7,925,921
Utility replacement	113,434	-	113,434
Other local sources	-	267,149	267,149
Investment earnings	20,427	4,553	24,980
State sources, Other state sources	1,462	-	1,462
Total revenues	7,272,791	8,197,623	15,470,414
Expenditures:			
Current:			
Instruction	87,642	2,373,500	2,461,142
Support services:			
General administration	-	922,338	922,338
Business administration	313,814	4,750	318,564
Plant operation and maintenance	84,603	152,533	237,136
Student transportation	-	602,328	602,328
Capital outlay	548,040	23,807,006	24,355,046
Debt service			
Bond issuance costs	-	244,332	244,332
Total expenditures	1,034,099	28,106,787	29,140,886
Excess (deficiency) of revenues under (over) expenditures	6,238,692	(19,909,164)	(13,670,472)
Other financing sources (uses):			
Issuance of bonds	-	32,080,000	32,080,000
Premium on bond issuance	-	1,559,407	1,559,407
Transfers in	-	5,885,690	5,885,690
Transfers (out)	(11,772,118)	(256,890)	(12,029,008)
Total other financing sources (uses)	(11,772,118)	39,268,207	27,496,089
Net change in fund balance	(5,533,426)	19,359,043	13,825,617
Fund balances, beginning of year	8,345,318	(1,811,965)	6,533,353
Fund balances, end of year	\$ 2,811,892	\$ 17,547,078	\$ 20,358,970

West Des Moines Community School District

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2014

	School Nutrition	Community Education	Preschool Regular Education	Total
Assets				
Current assets:				
Cash, cash equivalents and investments	619,022	\$ 1,643,114	\$ 5,893	\$ 2,268,029
Other receivables	-	150,907	-	150,907
Due from other governments	68,486	-	6,086	74,572
Inventories	251,714	-	-	251,714
Total current assets	939,222	1,794,021	11,979	2,745,222
Noncurrent assets, capital assets:				
Land	-	15,000	-	15,000
Machinery and equipment	3,748,828	-	-	3,748,828
Less accumulated depreciation	(1,862,632)	-	-	(1,862,632)
Total noncurrent assets	1,886,196	15,000	-	1,901,196
Total assets	\$ 2,825,418	\$ 1,809,021	\$ 11,979	\$ 4,646,418
Liabilities				
Current liabilities:				
Accounts payable	92,292	84,552	2,012	178,856
Compensated absences	15,672	16,216	615	32,503
Unearned revenue	94,675	82,505	-	177,180
Long-term liabilities, net OPEB liability	283,199	168,420	8,385	460,004
Total liabilities	485,838	351,693	11,012	848,543
Net Position (Deficit)				
Net investment in capital assets	1,886,196	15,000	-	1,901,196
Unrestricted	453,384	1,442,328	967	1,896,679
Total net position (deficit)	\$ 2,339,580	\$ 1,457,328	\$ 967	\$ 3,797,875

West Des Moines Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended June 30, 2014

	School Nutrition	Community Education	Preschool Regular Education	Total
Operating revenues:				
Food sales	2,322,567	-	-	2,322,567
Sale of services	-	2,695,600	-	2,695,600
Total operating revenues	2,322,567	2,695,600	-	5,018,167
Operating expenses:				
Salaries	1,569,035	1,654,511	31,228	3,254,774
Employee benefits	713,124	534,788	10,774	1,258,686
Purchased services	134,336	174,198	54,739	363,273
Food consumed	1,896,373	-	-	1,896,373
Supplies	113,085	373,633	690	487,408
Depreciation	229,398	-	-	229,398
Other	26,704	5,952	3,575	36,231
Total operating expenses	4,682,055	2,743,082	101,006	7,526,143
Operating (loss)	(2,359,488)	(47,482)	(101,006)	(2,507,976)
Nonoperating revenues (expenses):				
Federal food commodities	294,181	-	-	294,181
Federal appropriations	1,540,183	-	-	1,540,183
State appropriations	28,577	-	110,376	138,953
Interest	1,845	5,150	8	7,003
Loss on disposal of capital assets	(15,233)	-	-	(15,233)
Other	84,455	-	-	84,455
Total nonoperating revenues and (expenses)	1,934,008	5,150	110,384	2,049,542
Income (loss) before transfers	(425,480)	(42,332)	9,378	(458,434)
Transfers in	-	3,040	-	3,040
Transfers (out)	-	(125,000)	(3,040)	(128,040)
Changes in net position	(425,480)	(164,292)	6,338	(583,434)
Net position (deficit), beginning	2,765,060	1,621,620	(5,371)	4,381,309
Net position, end of year	<u>\$ 2,339,580</u>	<u>\$ 1,457,328</u>	<u>\$ 967</u>	<u>\$ 3,797,875</u>

West Des Moines Community School District

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2014**

	School Nutrition	Community Education	Preschool Regular Education	Total
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 2,318,072	\$ 2,773,642	\$ -	\$ 5,091,714
Payments to suppliers	(1,929,661)	(555,636)	(56,992)	(2,542,289)
Payments to employees	(2,253,943)	(2,169,030)	(43,613)	(4,466,586)
Net cash provided by (used in) operating activities	(1,865,532)	48,976	(100,605)	(1,917,161)
Cash Flows From Noncapital Financing Activities:				
Federal and state appropriations received	1,601,638	-	108,652	1,710,290
Transfers in	-	3,040	-	3,040
Transfers (out)	-	(125,000)	(3,040)	(128,040)
Other, local donations and grants	84,455	-	-	84,455
Net cash provided by (used in) noncapital financing activities	1,686,093	(121,960)	105,612	1,669,745
Cash Flows From Capital and Related Financing Activities:				
Proceeds from sale of capital assets	1,192	-	-	1,192
Purchases of capital assets	(16,680)	-	-	(16,680)
Net cash provided by (used in) capital and related financing activities	(15,488)	-	-	(15,488)
Cash Flows From Investing Activities, interest received				
	1,845	5,150	8	7,003
Net change in cash and cash equivalents	(193,082)	(67,834)	5,015	(255,901)
Cash and Cash Equivalents:				
Beginning of year	812,104	1,710,948	878	2,523,930
End of year	\$ 619,022	\$ 1,643,114	\$ 5,893	\$ 2,268,029

(Continued)

West Des Moines Community School District

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year Ended June 30, 2014

	School Nutrition	Community Education	Preschool Regular Education	Total
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities:				
Operating (loss)	\$ (2,359,488)	\$ (47,482)	\$ (101,006)	\$ (2,507,976)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Depreciation	229,398	-	-	229,398
Federal food commodities used	294,181	-	-	294,181
Change in assets and liabilities:				
Receivables	5,821	(4,463)	-	1,358
Inventories	(72,158)	-	-	(72,158)
Accounts payable	18,814	(1,853)	2,012	18,973
Compensated absences	(6,074)	(737)	(1,672)	(8,483)
Unearned revenue	(10,316)	82,505	-	72,189
Net OPEB liability	34,290	21,006	61	55,357
Net cash provided by (used in) operating activities	\$ (1,865,532)	\$ 48,976	\$ (100,605)	\$ (1,917,161)
Schedule of Noncash Items:				
Noncapital financing activities, Federal commodities	\$ 294,181	\$ -	\$ -	\$ 294,181

West Des Moines Community School District

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Flower Fund				
Assets, cash, cash equivalents and investments	\$ 9,971	\$ 83,156	\$ -	\$ 93,127
Liabilities , due to private individuals	\$ 9,971	\$ 83,156	\$ -	\$ 93,127

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.	70
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).	84
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.	90
Demographic and Economic Information	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	101
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)**

	2005	2006	2007	2008
Governmental activities:				
Net investment in capital assets	\$ 75,240,934	\$ 102,257,687	\$ 111,318,597	\$ 119,538,177
Restricted	27,986,161	12,250,659	14,597,752	17,078,354
Unrestricted	8,938,394	7,586,863	11,246,550	10,302,534
Total governmental activities net position	\$ 112,165,489	\$ 122,095,209	\$ 137,162,899	\$ 146,919,065
Business-type activities				
Net investment in capital assets	\$ 967,914	\$ 899,710	\$ 736,682	\$ 770,344
Unrestricted	1,470,852	1,727,417	2,032,412	2,080,283
Total business-type activities net position	\$ 2,438,766	\$ 2,627,127	\$ 2,769,094	\$ 2,850,627
Primary government:				
Net investment in capital assets	\$ 76,208,848	\$ 103,157,397	\$ 112,055,279	\$ 120,308,521
Restricted	27,986,161	12,250,659	14,597,752	17,078,354
Unrestricted	10,409,246	9,314,280	13,278,962	12,382,817
Total primary government net position	\$ 114,604,255	\$ 124,722,336	\$ 139,931,993	\$ 149,769,692

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 139,058,201	\$ 133,613,854	\$ 147,846,051	\$ 158,150,471	\$ 162,317,475	\$ 162,629,002	
15,883,427	21,353,146	14,014,432	12,748,833	17,384,787	18,089,610	
2,173,420	8,590,265	12,371,586	22,003,113	15,504,430	19,104,764	
\$ 157,115,048	\$ 163,557,265	\$ 174,232,069	\$ 192,902,417	\$ 195,206,692	\$ 199,823,376	
\$ 654,241	\$ 737,376	\$ 641,315	\$ 593,670	\$ 2,130,339	\$ 1,901,196	
2,127,643	2,298,336	2,757,854	3,611,829	3,419,635	3,221,434	
\$ 2,781,884	\$ 3,035,712	\$ 3,399,169	\$ 4,205,499	\$ 5,549,974	\$ 5,122,630	
\$ 139,712,442	\$ 134,351,230	\$ 148,487,366	\$ 158,744,141	\$ 164,447,814	\$ 164,530,198	
15,883,427	21,353,146	14,014,432	12,748,833	17,384,787	18,089,610	
4,301,063	10,888,601	15,129,440	25,614,942	18,924,065	22,326,198	
\$ 159,896,932	\$ 166,592,977	\$ 177,631,238	\$ 197,107,916	\$ 200,756,666	\$ 204,946,006	

West Des Moines Community School District

Expenses, Program Revenues and Net (Expense) Revenue

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal			
	2005	2006	2007	2008
Expenses:				
Governmental activities:				
Instruction	\$ 45,983,491	\$ 48,369,475	\$ 51,159,998	\$ 59,878,678
Support services	24,052,185	23,988,291	28,042,111	28,015,793
Noninstructional programs	470,095	429,508	414,066	422,971
Other	4,364,405	8,166,432	2,328,250	2,967,752
Interest on long-term debt	1,594,395	1,308,279	1,034,964	798,397
Total governmental activities	76,464,571	82,261,985	82,979,389	92,083,591
Business-type activities:				
Nutrition	3,237,532	3,360,467	3,795,831	3,837,138
Community education	2,184,190	2,187,360	2,296,115	2,279,690
Preschool regular education	-	106,262	192,271	194,719
Student construction	-	4,336	-	-
Total business-type activities	5,421,722	5,658,425	6,284,217	6,311,547
Total primary government expenses	81,886,293	87,920,410	89,263,606	98,395,138
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	4,041,145	4,600,966	4,377,162	4,707,977
Support services	288,278	499,453	-	-
Noninstructional programs	16,021	-	-	-
Operating grants and contributions	6,213,846	7,133,032	8,494,738	9,853,839
Capital grants and contributions	-	-	-	-
Total governmental activities	10,559,290	12,233,451	12,871,900	14,561,816
Business-type activities:				
Charges for services:				
Nutrition	2,311,625	2,423,275	2,493,675	2,581,637
Community education	2,256,705	2,410,950	2,620,447	2,538,740
Preschool regular education	-	1,560	-	-
Student construction	-	130,464	63,688	-
Operating grants and contributions	905,224	895,014	1,111,885	1,150,607
Capital grants and contributions	-	-	-	-
Total business-type activities	5,473,554	5,861,263	6,289,695	6,270,984
Total primary government revenues	16,032,844	18,094,714	19,161,595	20,832,800
Net (expense) revenues:				
Governmental activities	(65,905,281)	(70,028,534)	(70,107,489)	(77,521,775)
Business-type activities	51,832	202,838	5,478	(40,563)
Total primary government revenues	\$ (65,853,449)	\$ (69,825,696)	\$ (70,102,011)	\$ (77,562,338)

Year	2009	2010	2011	2012	2013	2014
\$	64,340,540	\$ 66,474,308	\$ 66,020,971	\$ 64,031,921	\$ 72,787,048	\$ 74,101,225
	28,852,848	29,193,099	28,725,290	30,460,006	33,543,019	33,104,411
	452,155	434,290	119,681	504,947	514,568	545,689
	3,155,688	3,456,794	3,548,218	3,310,851	3,414,456	3,596,211
	545,910	265,043	357,099	1,322,932	1,387,760	1,711,719
	97,347,141	99,823,534	98,771,259	99,630,657	111,646,851	113,059,255
	4,139,227	4,134,856	4,051,189	3,837,098	4,412,926	4,603,634
	2,641,371	2,368,775	2,478,636	2,484,504	2,801,078	2,680,646
	210,280	213,536	162,440	162,529	174,674	101,006
	80,000	56,937	53,218	24,670	-	-
	7,070,878	6,774,104	6,745,483	6,508,801	7,388,678	7,385,286
	104,418,019	106,597,638	105,516,742	106,139,458	119,035,529	120,444,541
	5,910,224	6,031,974	5,656,757	6,398,639	7,215,947	7,317,855
	-	-	-	678,630	1,626,797	1,583,371
	-	-	-	-	-	-
	12,116,212	16,109,619	13,977,744	15,985,636	12,830,255	14,192,480
	-	-	-	1,509,864	118,493	-
	18,026,436	22,141,593	19,634,501	24,572,769	21,791,492	23,093,706
	2,761,252	2,763,619	2,718,971	2,638,472	2,438,304	2,322,567
	2,918,819	2,618,972	2,589,715	2,777,207	2,796,728	2,695,600
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,355,728	1,472,831	1,657,077	1,967,784	1,937,963	2,057,772
	-	-	-	15,000	1,674,887	-
	7,035,799	6,855,422	6,965,763	7,398,463	8,847,882	7,075,939
	25,062,235	28,997,015	26,600,264	31,971,232	30,639,374	30,169,645
	(79,320,705)	(77,681,941)	(79,136,758)	(75,057,888)	(89,855,359)	(89,965,549)
	(35,079)	81,318	220,280	889,662	1,459,204	(309,347)
\$	(79,355,784)	\$ (77,600,623)	\$ (78,916,478)	\$ (74,168,226)	\$ (88,396,155)	\$ (90,274,896)

West Des Moines Community School District

General Revenues and Total Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2005	2006	2007	2008
Net (expense) revenues:				
Governmental activities	\$ (65,905,281)	\$ (70,028,534)	\$ (70,107,489)	\$ (77,521,775)
Business-type activities	518,325	202,838	5,478	(40,563)
Total primary government net expense	(65,386,956)	(69,825,696)	(70,102,011)	(77,562,338)
General revenues and other changes in net assets:				
Governmental activities:				
General revenues:				
Taxes:				
Property taxes	43,601,307	44,492,182	47,730,903	49,505,540
Statewide sales and services tax	7,637,458	8,914,205	8,908,267	8,598,401
Utility replacement tax	936,159	905,019	925,977	892,235
Other local sources	419,132	283,958	1,556,956	1,679,757
State foundation aid, unrestricted	22,296,608	22,933,675	24,031,009	24,999,763
Other state sources, unrestricted	186,105	176,026	-	-
Investment earnings	1,447,612	1,739,251	1,904,767	1,596,395
Gain on disposal of capital assets	3,861	-	-	-
Miscellaneous	114,004	403,213	-	-
Transfers	63,269	110,725	117,300	5,850
Total governmental activities	76,705,515	79,958,254	85,175,179	87,277,941
Business-type activities:				
Other local sources	-	-	96,686	57,802
Investment earnings	17,225	65,682	94,273	70,144
Miscellaneous	53,934	30,566	62,830	-
Transfers	(63,269)	(110,725)	(117,300)	(5,850)
Total business-type activities	7,890	(14,477)	136,489	122,096
Total primary government	76,713,405	79,943,777	85,311,668	87,400,037
Change in net position:				
Governmental activities	10,800,234	9,929,720	15,067,690	9,756,166
Business-type activities	59,722	188,361	141,967	81,533
Total primary government	\$ 10,859,956	\$ 10,118,081	\$ 15,209,657	\$ 9,837,699

Fiscal Year						
	2009	2010	2011	2012	2013	2014
\$	(79,320,705)	\$ (77,381,941)	\$ (79,136,758)	\$ (75,057,888)	\$ (89,855,359)	\$ (89,965,549)
	(35,079)	81,318	220,280	889,662	1,459,204	(309,347)
	(79,355,784)	(77,300,623)	(78,916,478)	(74,168,226)	(88,396,155)	(90,274,896)
	51,501,548	53,550,085	56,142,287	56,399,367	52,951,824	53,787,935
	8,818,452	8,485,639	7,087,894	7,579,856	7,881,340	7,927,921
	911,443	923,850	898,786	950,942	907,497	894,863
	2,152,257	1,800,349	1,409,137	49,880	-	-
	25,330,713	18,771,477	23,888,724	28,223,794	30,002,209	31,598,458
	-	-	-	-	-	-
	665,647	497,572	359,734	421,064	289,536	176,998
	-	-	-	-	-	-
	-	-	-	-	-	71,058
	136,628	95,186	25,000	103,333	127,228	125,000
	89,516,688	84,124,158	89,811,562	93,728,236	92,159,634	94,582,233
	79,290	253,444	150,117	-	-	-
	23,674	14,252	18,060	20,001	12,499	7,003
	-	-	-	-	-	-
	(136,628)	(95,186)	(25,000)	(103,333)	(127,228)	(125,000)
	(33,664)	172,510	143,177	(83,332)	(114,729)	(117,997)
	89,483,024	84,296,668	89,954,739	93,644,904	92,044,905	94,464,236
	10,195,983	6,442,217	10,674,804	18,670,348	2,304,275	4,616,684
	(68,743)	253,828	363,457	806,330	1,344,475	(427,344)
\$	10,127,240	\$ 6,696,045	\$ 11,038,261	\$ 19,476,678	\$ 3,648,750	\$ 4,189,340

West Des Moines Community School District

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

	2005	2006	2007	2008
General Fund:				
Reserved	\$ 117,051	\$ 137,097	\$ 67,672	\$ 55,967
Unreserved	8,558,691	9,565,091	12,703,283	13,059,705
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	8,675,742	9,702,188	12,770,955	13,115,672
All other governmental funds:				
Reserved	752,209	641,614	333,516	361,696
Restricted	-	-	-	-
Unassigned	-	-	-	-
Unreserved, reported in:				
Special revenue funds	6,328,716	4,847,589	6,613,390	6,977,125
Capital projects funds	22,400,342	7,674,328	8,362,370	10,414,806
Total all other governmental funds	29,481,267	13,163,531	15,309,276	17,753,627
Total governmental funds	\$ 38,157,009	\$ 22,865,719	\$ 28,080,231	\$ 30,869,299

NOTE: The District implemented GASB Statement No. 54 in fiscal year 2011.

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 63,571	\$ 47,441	\$ -	\$ -	\$ -	\$ -	\$ -
11,550,393	10,132,152	-	-	-	-	-
-	-	48,109	62,518	56,188	-	59,724
-	-	-	1,176,520	1,301,007	-	1,132,103
-	-	-	-	1,770,000	-	3,346,429
-	-	13,896,876	17,459,849	14,424,333	-	9,252,985
11,613,964	10,179,593	13,944,985	18,698,887	17,551,528	-	13,791,241
366,705	-	-	-	-	-	-
-	-	52,594,203	41,111,332	15,933,068	-	32,472,010
-	-	-	-	(1,811,965)	-	-
9,416,232	21,863,694	-	-	-	-	-
6,759,589	208,286	-	-	-	-	-
16,542,526	22,071,980	52,594,203	41,111,332	14,121,103	-	32,472,010
\$ 28,156,490	\$ 32,251,573	\$ 66,539,188	\$ 59,810,219	\$ 31,672,631	\$ -	\$ 46,263,251

West Des Moines Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2005	2006	2007	2008
Local sources:				
Property taxes	\$ 43,601,307	\$ 44,492,182	\$ 47,730,903	\$ 49,505,540
Statewide sales and services tax	7,587,458	8,924,205	8,908,267	8,598,401
Utility replacement	936,159	905,019	925,977	892,235
Other local sources	2,887,930	3,929,720	1,875,703	1,931,651
Investment earnings (loss)	1,447,612	1,739,251	1,904,767	1,596,395
Student activities	1,469,563	1,174,136	4,377,162	4,549,495
Total local sources	57,930,029	61,164,513	65,722,779	67,073,717
State sources:				
State foundation aid	22,296,608	22,933,675	24,031,009	27,966,365
Other state sources	4,945,757	5,489,229	7,210,660	4,779,621
Total state sources	27,242,365	28,422,904	31,241,669	32,745,986
Federal sources	1,475,194	1,845,064	1,684,078	2,107,616
Total revenues	\$ 86,647,588	\$ 91,432,481	\$ 98,648,526	\$ 101,927,319

Fiscal Year						
	2009	2010	2011	2012	2013	2014
\$	51,501,548	\$ 53,550,085	\$ 56,142,287	\$ 56,399,367	\$ 52,951,824	\$ 53,787,935
	8,818,452	7,138,043	8,083,690	7,556,656	7,858,340	7,925,921
	911,443	923,850	898,786	950,942	907,497	894,863
	2,304,699	1,935,318	1,635,937	6,530,960	7,215,717	6,885,922
	665,647	497,572	359,734	421,064	289,536	176,998
	5,765,422	5,894,502	5,521,807	1,447,701	1,911,051	1,680,020
	69,967,211	69,939,370	72,642,241	73,306,690	71,133,965	71,351,659
	28,485,951	22,225,013	27,433,861	31,532,435	30,002,209	31,598,458
	5,956,369	5,778,341	6,765,116	7,173,902	10,272,979	11,737,750
	34,442,320	28,003,354	34,198,977	38,706,337	40,275,188	43,336,208
	3,004,605	6,877,742	3,667,491	5,624,164	2,888,935	2,793,147
\$	107,414,136	\$ 104,820,466	\$ 110,508,709	\$ 117,637,191	\$ 114,298,088	\$ 117,481,014

West Des Moines Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years*

(modified accrual basis of accounting)

(Unaudited)

	2005	2006	2007	2008
Instruction	\$ 44,885,629	\$ 46,207,978	\$ 49,132,719	\$ 54,594,512
Support services:				
Student support services	2,216,145	2,244,901	2,540,872	2,696,984
Instructional staff support services	2,467,936	2,757,027	3,730,666	4,248,509
General administration	1,313,866	881,007	2,902,980	1,843,941
School/building administration	3,485,597	3,778,110	3,896,851	3,962,645
Business administration	2,777,644	2,901,380	2,669,207	2,832,788
Plant operation and maintenance	6,547,932	7,569,820	8,453,862	8,008,586
Student transportation	2,340,252	2,768,778	3,131,766	3,152,857
Central support	-	-	-	-
Noninstructional programs	485,630	406,229	417,925	407,431
Other	5,400,981	6,297,320	2,122,629	2,967,752
Capital outlay	16,437,967	23,785,848	8,568,049	7,605,646
Debt service:				
Principal	5,735,000	5,950,000	5,960,000	6,010,000
Interest	1,599,863	1,348,867	1,057,038	821,688
Bond issuance costs	-	32,275	-	-
Total expenditures	\$ 95,694,442	\$ 106,929,540	\$ 94,584,564	\$ 99,153,339
Debt service as a percentage of noncapital expenditures	9.30%	8.80%	8.20%	7.50%

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

							Fiscal Year					
2009		2010		2011		2012		2013		2014		
\$	59,824,159	\$	61,925,969	\$	60,505,485	\$	63,208,763	\$	68,764,247	\$	69,137,320	
	2,914,955		2,894,430		3,084,473		3,288,569		3,280,527		3,435,195	
	3,819,415		4,081,780		4,347,578		4,310,078		4,763,412		4,593,121	
	1,656,342		1,748,749		1,907,523		4,086,991		2,022,910		3,921,230	
	4,321,535		4,391,135		4,471,741		4,553,847		4,617,999		4,517,735	
	3,033,593		3,599,677		2,987,958		3,097,271		3,047,268		3,160,543	
	8,591,118		7,862,209		8,079,892		8,105,239		8,756,072		8,945,443	
	3,641,335		3,468,246		3,697,114		3,985,699		4,018,546		4,145,312	
	-		-		-		-		-		-	
	455,637		470,486		479,502		506,046		511,282		534,005	
	3,155,688		3,456,794		3,548,218		3,310,851		3,414,456		3,596,211	
	12,018,829		15,124,523		19,305,367		30,064,119		33,341,453		24,355,046	
	6,275,000		6,530,000		1,150,000		4,735,000		4,665,000		4,755,000	
	571,713		291,600		294,211		1,194,187		1,409,645		1,385,818	
	-		-		-		-		-		244,332	
\$	110,279,319	\$	115,845,598	\$	113,859,062	\$	134,446,660	\$	142,612,817	\$	136,726,311	
	7.00%		6.80%		1.50%		5.68%		5.40%		5.75%	

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)

	2005	2006	2007	2008
Excess (deficiency) of revenues over (under) expenditures	\$ (9,019,854)	\$ (15,497,059)	\$ 4,063,962	\$ 2,773,980
Other financing sources (uses):				
Proceeds from the sale of capital assets	3,861	12,310	1,033,250	9,238
Transfers in	8,505,533	9,197,860	9,920,174	9,689,101
Transfers out	(8,442,264)	(9,087,135)	(9,802,874)	(9,683,251)
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)	67,130	205,769	1,150,550	15,088
Net change in fund balances	\$ (8,952,724)	\$ (15,291,290)	\$ 5,214,512	\$ 2,789,068

Fiscal Year											
2009	2010	2011	2012	2013	2014						
\$	(2,865,183)	\$	(11,025,132)	\$	(3,350,353)	\$	(16,809,469)	\$	(28,314,729)	\$	(19,245,297)
	15,746		25,029		9,978		81,955		49,913		71,510
	9,703,929		10,874,263		12,644,611		28,109,224		6,310,959		6,353,818
	(9,567,301)		(10,779,077)		(12,619,611)		(28,005,891)		(6,183,731)		(6,228,818)
	-		15,000,000		36,825,000		-		-		-
	-		-		777,990		-		-		1,559,407
	-		-		-		(104,788)		-		-
	-		-		-		10,000,000		-		32,080,000
	-		-		-		-		-		-
	-		-		-		-		-		-
	152,374		15,120,215		37,637,968		10,080,500		177,141		33,835,917
\$	(2,712,809)	\$	4,095,083	\$	34,287,615	\$	(6,728,969)	\$	(28,137,588)	\$	14,590,620



WEST DES MOINES
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West Des Moines Community School District

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Assessed Value					Total Taxable Value	Total Direct Rate (a)
	Real Property	Personal Property	Railroad and Utilities Without Gas & Electric	Gas and Electric	Total Assessed Value		
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
2014	6,242,182,454	-	23,446,169	104,646,454	6,370,275,077	4,355,728,442	13.26452

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
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
2014	11.44810	1.81642	-	13.26452	11.49540	9.98809	9.57000	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 Windsor Heights	Area XI Community College	Special Rates for City of:			
		Clive	Urbandale	West Des Moines Windsor Heights	
\$ 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
13.89892	0.69120	-	0.06911	0.47163	0.47163

West Des Moines Community School District

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

Taxpayer	2014			2005		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Valley West Mall	\$ 64,267,500	1	1.48%	\$ 86,500,000	1	2.59%
Three Fountains	39,908,550	2	0.92%	18,946,500	9	0.57%
IFBF Property Management Inc	38,238,165	3	0.88%	40,475,110	3	1.21%
Water Tower Place Shopping Center LC	27,793,485	4	0.64%			
1776 Westlakes Parkway LC	27,343,309	5	0.63%			
Deerfield Retirement Community Inc	23,734,807	6	0.54%			
Mid-America Invest Co	22,066,600	7	0.51%	56,344,000	2	1.69%
Colby West Univ Trust	21,964,000	8	0.50%	23,437,500	6	0.70%
Hy-Vee	18,961,223	9	0.44%	24,261,690	5	0.73%
Clive Wellness Campus	18,747,205	10	0.43%			
Knapp Family, L.C.				30,431,830	4	0.91%
Mercy Properties				21,436,700	7	0.64%
CMS Wellington Apartments				20,794,800	8	0.62%
Twenty-Three Hundred Ltd.				17,752,900	10	0.53%
Total	\$ 303,024,844		6.96%	\$ 340,381,030		10.20%
Total taxable value	4,355,728,442			3,336,798,349		

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
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%	323,440	53,258,901	99.93%
2014	55,235,446	54,696,827	99.02%	213,071	54,909,898	99.41%

Source: Polk County Auditor and School District financial records.

Note: Information regarding subsequent years collections of prior tax levies is 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
2014	\$ 72,307	\$ 7,853,614	\$ 7,925,921
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

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
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	-	*	*
2014	-	43,542,162	37,064,593	80,606,755	-	*	*

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, 2014
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Polk County	\$ 117,950,985	22.24%	\$ 26,232,299
City of West Des Moines	77,725,762	99.94%	77,679,127
City of Des Moines	462,467,296	0.20%	924,935
City of Clive	38,665,000	100.00%	38,665,000
City of Urbandale	44,375,000	19.61%	8,701,938
City of Windsor Heights	12,970,000	50.05%	6,491,485
Subtotal, overlapping debt	\$ 754,154,043		158,694,783
District direct debt, capital loan notes	37,064,593	100.00%	37,064,593
Total direct and overlapping debt	\$ 791,218,636		\$ 195,759,376

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)

	2005	2006	2007	2008
Debt limit	\$ 264,459,349	\$ 269,465,406	\$ 293,267,008	\$ 299,340,175
Total net debt applicable to limit	30,685,000	24,775,000	18,815,000	12,805,000
Legal debt margin	\$ 233,774,349	\$ 244,690,406	\$ 274,452,008	\$ 286,535,175
Total net debt applicable to the limit as a percentage of debt limit	11.60%	9.19%	6.42%	4.28%

Source: Polk County Auditor and District records.

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value

\$ 6,295,918,607

Debt limit (5% of assessed value)

\$ 314,795,930

Debt applicable to limit

78,600,000

Legal debt margin

\$ 236,195,930

	2009	2010	2011	2012	2013	2014
\$	327,397,075	\$ 329,837,128	\$ 330,961,855	\$ 319,508,048	\$ 313,578,676	\$ 314,795,930
	6,530,000	15,000,000	50,675,000	55,940,000	51,275,000	78,600,000
\$	320,867,075	\$ 314,837,128	\$ 280,286,855	\$ 263,568,048	\$ 262,303,676	\$ 236,195,930
	1.99%	4.55%	15.31%	17.51%	16.35%	24.97%

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	
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
2014	7,925,921	4,755,000	1,385,818	6,140,818	77.48

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)
2014	414,377,340	476,245	\$ 870
2013	410,948,081	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 2014 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
2015	\$ 440,128,399	478,921	919
2016	440,128,399	478,921	919
2017	440,128,399	478,921	919
2018	440,128,399	478,921	919
2019	440,128,399	478,921	919
2020	440,128,399	478,921	919
2021	440,128,399	478,921	919
2022	440,128,399	478,921	919
2023	440,128,399	478,921	919
2024	440,128,399	478,921	919
2025	440,128,399	478,921	919
2026	440,128,399	478,921	919
2027	440,128,399	478,921	919
2028	440,128,399	478,921	919
2029	440,128,399	478,921	919
2030	220,064,200	478,921	460

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
2015	\$ 440,128,399	478,921	919
2016	448,930,967	480,720	934
2017	457,909,586	481,756	951
2018	467,067,778	482,293	968
2019	476,409,134	483,109	986
2020	476,409,134	483,641	985
2021	476,409,134	483,641	985
2022	476,409,134	483,641	985
2023	476,409,134	483,641	985
2024	476,409,134	483,641	985
2025	476,409,134	483,641	985
2026	476,409,134	483,641	985
2027	476,409,134	483,641	985
2028	476,409,134	483,641	985
2029	476,409,134	483,641	985
2030	238,204,567	483,641	493

(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)
2015	\$ 7,910,206	\$ 8,320,626
2016	7,910,206	8,456,436
2017	7,910,206	8,610,354
2018	7,910,206	8,764,272
2019	7,910,206	8,927,244
2020	7,910,206	8,918,190
2021	7,910,206	8,918,190
2022	7,910,206	8,918,190
2023	7,910,206	8,918,190
2024	8,227,611	8,918,190
2025	8,227,611	8,918,190
2026	8,227,611	8,918,190
2027	8,227,611	8,918,190
2028	8,227,611	8,918,190
2029	8,227,611	8,918,190
2030	4,113,805	4,463,622

(1) FY2015 Tax Revenue is based on Iowa Department of Revenue estimates and includes a projection for the November 2014 reconciliation payment in the amount of \$400,551 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 9,054. 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
2015	\$ 3,109,302	\$ 7,910,206	2.54 x
2016	3,083,998	7,910,206	2.56 x
2017	3,047,498	7,910,206	2.60 x
2018	3,032,898	7,910,206	2.61 x
2019	3,030,248	7,910,206	2.61 x
2020	3,026,648	7,910,206	2.61 x
2021	3,996,148	7,910,206	1.98 x
2022	3,962,298	7,910,206	2.00 x
2023	3,944,048	7,910,206	2.01 x
2024	3,926,613	7,910,206	2.01 x
2025	3,919,063	7,910,206	2.02 x
2026	3,931,963	7,910,206	2.01 x
2027	3,954,838	7,910,206	2.00 x
2028	3,971,188	7,910,206	1.99 x
2029	3,993,238	7,910,206	1.98 x

(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) FY2015 tax revenue is based on Iowa Department of Revenue estimates and includes a projection for the November 2014 reconciliation payment in the amount of \$400,551 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)
2005	58,275	N/A		N/A		2.60%
2006	58,275	2,400,083	254,257	36,168	3,618	2.20%
2007	58,275	2,447,399	285,299	38,578	4,156	2.20%
2008	58,275	2,512,130	236,945	39,717	3,243	2.70%
2009	58,275	2,857,592	299,645	41,567	4,095	4.30%
2010	58,275	2,121,073	169,040	34,193	2,454	4.50%
2011	64,104	2,755,794	345,111	38,490	4,180	4.40%
2012	64,104	2,419,733	209,880	37,134	2,868	3.80%
2013	64,104	3,072,263	380,488	44,854	5,566	3.40%
2014	64,104	N/A	N/A	N/A	N/A	N/A

* 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.



WEST DES MOINES
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West Des Moines Community School District

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wells Fargo Mortgage & Home Equity	8,393	1	11%	1,232	3	2%
West Des Moines School District	1,183	2	2%	1,092	5	2%
Athene USA Corporation	1,051	3	1%			
FBL Financial Group Inc.	979	4	1%	1,117	4	2%
Hy-Vee Inc.	876	5	1%	1,500	2	3%
Mediacom	538	6	1%			
MetLife	496	7	1%			
Sammons Financial Group	485	8	1%			
GuideOne Insurance	450	9	1%	642	8	1%
The Iowa Clinic	445	10	1%			
CitiCards/Citi Group				1,770	1	3%
Krause Gentle Corp.				712	6	1%
Wells Fargo Card Services				697	7	1%
Iowa Foundation for Medical Care				623	9	1%
ITA Group				400	10	1%
All other employers	60,887		80%	46,397		83%
Total	75,783		100%	56,182		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				
	2005	2006	2007	2008	2009
Administration:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Principals	13.3	13.3	14.0	14.0	14.0
Assistant principals	11.0	11.0	10.5	10.5	10.5
Other	10.7	13.2	13.0	13.5	13.5
Other professionals	32.9	17.0	18.0	18.5	18.6
Total supervisory	68.9	55.5	56.5	57.5	57.6
Instruction:					
Teacher	547.6	554.9	561.9	579.3	600.0
Counselor	19.5	19.5	19.5	19.5	19.0
Title I	4.0	4.0	4.0	5.5	5.5
Librarian	10.0	10.0	9.5	10.0	9.5
Total instruction	581.1	588.4	594.9	614.3	634.0
Student services:					
Nurse	3.0	3.0	3.0	3.0	3.0
Other professionals (noninstructional)	4.8	6.1	5.9	5.1	3.9
Total student services	7.8	9.1	8.9	8.1	6.9
Support and administration:					
Clerical/secretarial	71.2	55.2	49.0	57.7	63.9
Teacher assistant	143.0	162.8	202.9	211.6	220.4
Other support personnel	203.0	208.7	173.2	211.7	222.3
Crafts/trades	17.0	15.0	18.4	19.4	18.0
Total support and administration	434.2	441.7	443.5	500.4	524.6
Total	1,092.0	1,094.7	1,103.8	1,180.3	1,223.1

Source: District records

Full-Time Equivalent Employees as of June 30					Percentage
2010	2011	2012	2013	2014	2005 - 2014
1.0	1.0	1.0	1.0	1.0	0.0%
14.0	14.0	14.0	13.0	14.0	5.3%
10.5	10.0	11.0	9.0	8.0	-27.3%
13.5	13.0	13.0	13.0	14.0	30.8%
17.8	15.0	15.0	13.0	13.0	-60.5%
56.8	53.0	54.0	49.0	50.0	-27.4%
595.3	584.9	586.0	586.4	588.3	7.4%
19.0	19.6	19.6	19.6	18.6	-4.6%
5.0	4.5	5.0	4.5	4.0	0.0%
9.5	8.5	8.0	8.5	8.5	-15.0%
628.8	617.5	618.6	619.0	619.4	6.6%
3.0	2.0	2.0	2.0	2.0	-33.3%
4.4	4.9	4.1	3.1	3.1	-35.4%
7.4	6.9	6.1	5.1	5.1	-34.6%
63.3	63.3	62.9	63.2	66.4	-6.7%
202.1	180.3	192.2	194.8	205.4	43.6%
215.6	210.3	210.1	207.6	216.1	6.5%
16.0	15.0	15.0	16.0	20.0	17.6%
497.0	468.9	480.2	481.6	507.9	17.0%
1,190.0	1,146.3	1,159.0	1,154.7	1,182.4	8.3%



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
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
2014	68	8,986	9,054	94,968,196	10,489	1.64	619.4	30.45

Source: District records.

West Des Moines Community School District

School Building Information

Last Ten Fiscal Years

(Unaudited)

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

* Information not available

(Continued)

Fiscal Year					
2009	2010	2011	2012	2013	2014
67,802	67,802	67,802	67,802	67,802	67,802
21	21	21	21	21	21
455	442	505	539	474	458
59,310	66,362	73,414	73,414	73,414	73,414
22	25	25	25	25	25
492	455	565	518	478	469
60,619	60,619	68,875	68,875	68,875	68,875
21	21	25	25	25	25
551	543	542	565	548	537
51,435	51,435	51,435	51,435	51,435	51,435
23	23	23	23	23	23
498	496	521	535	535	540
81,222	81,222	81,222	81,222	81,222	81,222
45	45	45	45	45	45
614	574	600	581	535	548
82,000	82,000	82,000	82,000	82,000	82,000
35	35	35	35	35	35
726	704	738	714	689	693
20,600	20,600	20,600	20,600	20,600	20,600
3	3	3	3	3	3
-	-	-	-	-	-
36,650	36,650	36,650	36,650	36,650	36,650
10	10	10	10	10	10
139	119	128	143	114	116
74,755	74,755	74,755	74,755	74,755	74,755
27	27	27	27	27	27
505	515	571	585	576	570
81,000	81,000	81,000	81,000	81,000	81,000
32	32	32	32	32	35
671	623	660	662	587	546

West Des Moines Community School District

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

School	2005	2006	2007	2008
Middle:				
Indian Hills (1977,1992):				
Square feet	115,074	115,074	115,074	115,074
Number of classrooms	45	45	45	45
Enrollment	638	637	622	617
Stilwell (1960, 1962, 1968, 1984, 1988, 1992, 2002, 2010, 2012):				
Square feet	95,520	95,520	95,520	95,520
Number of classrooms	42	42	42	42
Enrollment	665	711	745	706
High:				
Valley Southwoods Freshman (1999):				
Square feet	162,500	162,500	162,500	162,500
Number of classrooms	44	44	44	44
Enrollment	696	650	685	725
Valley (1964, 1967, 1969, 1970, 1989, 1992, 2005, 2012):				
Square feet	310,196	310,196	312,599	312,599
Number of classrooms	101	101	107	107
Enrollment	1,823	1,859	1,890	1,870
Other:				
Walnut Creek Campus Alternative High School (1957, 1970, 1989, 1991, 2012):				
Square feet	18,052	18,052	18,052	18,052
Number of classrooms	16	16	16	16
Enrollment	(A)	(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					
2009	2010	2011	2012	2013	2014
115,074	115,074	115,074	115,074	115,074	115,074
45	45	45	45	45	45
623	595	640	675	618	610
95,520	95,520	95,520	95,520	108,416	108,416
42	42	42	42	42	42
689	694	742	692	660	667
162,500	162,500	162,500	162,500	162,500	162,500
44	44	44	44	44	44
704	629	704	711	666	614
345,437	345,437	345,437	455,418	455,418	455,418
107	107	107	124	124	124
1,895	1,784	1,964	1,951	1,800	1,854
18,052	18,052	18,052	18,052	18,052	18,052
16	16	16	16	16	16
(A)	(A)	(A)	(A)	166	158



WEST DES MOINES
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West Des Moines Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

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>			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	77-1737	\$ 173,261
National School Lunch Program	10.555	77-1737	1,287,741
Commodities-Noncash, Department of Defense	10.555	77-1737	51,657
Commodities-Noncash	10.555	77-1737	242,524
Summer Food Service Program for Children	10.559	77-1737	70,746
Total Child Nutrition Cluster			<u>1,825,929</u>
Fresh Fruit and Vegetable Grant	10.582	FY 13 4557	8,435
Total U.S. Department of Agriculture			<u>1,834,364</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	734,648
Special Education - Grants to States IDEA, Part B	84.027	42-6004525	91,683
Vocational Education Basic Grants to States - Carl Perkins Basic Grant	84.048A	42-6004525	86,053
Advanced Placement Program	84.330	N/A	3,927
Title III English Language Acquisition	84.365	42-6004525	5,674
Title II - Improving Teacher Quality State Grant	84.367	42-6004525	175,406
Grants for State Assessments and Related Activities	84.369	42-6004525	49,192
			<u>1,146,583</u>
<i>Passed Through Parental Assistance Centers:</i>			
Title IID Enhancing Education through Technology	84.310	42-6004525	6,454
<i>Passed Through Heartland Area Education Agency:</i>			
Special Education-Grants to States IDEA, Part B	84.027	N/A	480,930
Total U.S. Department of Education			<u>1,633,967</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	6,098
<i>Passed Through State of Iowa Department of Education:</i>			
School Health Programs to Prevent the Spread of HIV	93.938	FY14 4577	340
Total U.S. Department of Health and Human Services			<u>6,438</u>
Total expenditures of federal awards			<u>\$ 3,474,769</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, 2014

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, 2014. 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, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

West Des Moines Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

Findings	Status	Corrective Action Plan or Other Explanation
Significant Deficiency over Federal Awards		
2013-001 The District does not have adequate documentation to support federal program payroll costs.	Corrected	
Other Findings Related to Statutory Reporting		
IV-A-13 Expenditures exceeded the certified budget amount in the instruction function.	Corrected	



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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 19, 2014.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as 2014-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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, 2014 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.

District's Response to Findings

The District's responses to the findings identified in our audit are 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 the financial statements and, accordingly, we express no opinion on it.

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
November 19, 2014

**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, 2014. 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, 2014.

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 types of 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
November 19, 2014

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

Part I: Summary of the Independent Auditor's Results

- a) Unmodified opinions were issued on the financial statements.
- b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- c) The audit did not disclose any noncompliance which is material to the financial statements.
- d) No material weaknesses or significant deficiencies over internal control over major programs were 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 did not disclose 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 84.027 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, 2014**

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

2014-001

Finding: The District has insufficient information and processes to determine unearned revenues (customer fees paid in advance of class offering) in the Community Education Fund.

Condition: District policy requires payments for tuition prior to the service date. At year-end, the District is collecting tuition receipts that are for the next fiscal year services. The District's registration software and processes do not have reports that provide sufficient detail to determine year-end revenue and unearned revenue balances.

Context: An adjustment of \$82,505 was made to Fund 65 for unearned revenue.

Effect: The Fund's revenues are not accurately reported in the appropriate fiscal year.

Cause: A limited number of reports are available in the registration software. Online payments are not sorted at year-end based on service date.

Recommendation: We recommend the District establish a process either through the registration software or manually to determine proper revenue cutoff at year-end.

Response and corrective action plan: The District will investigate options within the registration software and with current process to properly record revenue.

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

Part IV: Other Findings Related to Statutory Reporting

IV-A-14 - Certified Budget:

Finding: Expenditures for the year ended June 30, 2014 exceeded the certified budget amount in the other function prior to the enactment of the budget amendment.

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 prior to expenditures exceeding the original budget.

Conclusion: Response accepted.

IV-B-14 - 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-14 - 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-14 - Business Transactions: No business transactions between the District and District officials or employees were noted.

IV-E-14- 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-14 - Board Minutes: No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-14 - Certified Enrollment:

Finding: Variances in the basic enrollment data certified to the Department of Education were noted.

Recommendation: We recommend the District review and verify enrollment before the October 1st process.

Response: The District will review enrollment figures prior to submission to ensure accuracy of the information certified to the Department of Education.

Conclusion: Response accepted.

IV-H-14 - Supplementary Weighting: No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

(Continued)

West Des Moines Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

IV-I-14 - 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-14 - Certified Annual Report: The certified annual report was certified timely to the Iowa Department of Education.

IV-K-14 - Categorical Funding: No instances of categorical funding being used to supplant rather than supplement other funds were noted.

IV-L-14 - 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, 2014, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$ (1,811,965)
Revenues/other financing sources:		
Statewide sales and services tax revenue	\$ 7,925,921	
Investment earnings	4,553	
Other local sources	267,149	
State sources	-	
Federal sources	-	
Bond issuance	33,639,407	
Physical plant and equipment for capital projects	<u>5,885,690</u>	47,722,720
Expenditures/other financing uses:		
Instruction	2,373,500	
Support services	1,681,949	
Debt service	244,332	
Transfers out	256,890	
School infrastructure:		
Buildings	<u>23,807,006</u>	<u>28,363,677</u>
Ending balance		<u>\$ 17,547,078</u>

For the year ended June 30, 2014, the District reduced the tax levy by not having a debt service levy of \$1.82 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, 2014

	Findings	Corrective Action Plan	Anticipated Date of Completion
Significant Deficiency over Financial Statements:			
2014-001	The District has insufficient information and processes to determine unearned revenues in customer fees paid in advance of class offering in the Community Education Fund.	See response and corrective action plan at 2014-001	Fiscal Year 2015-Paul Bobek
Other Findings Related to Required Statutory Reporting:			
IV-A-14	Expenditures exceeded the certified budget amount in the other function prior to the enactment of the budget amendment.	See response at IV-A-14	Fiscal Year 2015-Paul Bobek