

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016



Des Moines Independent Community School District
DES MOINES, IOWA

Des Moines Independent Community School District, Des Moines, Iowa

Comprehensive Annual Financial Report
Year Ended June 30, 2016

**Official Issuing Report:
Thomas Harper
Chief Financial Officer**

**Office Issuing Report:
Business and Finance Department**

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November 4, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Des Moines Independent Community School District (the District) for the fiscal year ended June 30, 2016.

The District operates in compliance with generally accepted accounting principles (GAAP) and prepares its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34. The report has been prepared to conform to guidelines recommended by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) of the United States and Canada.

RSM US LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

The responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with management of the District. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. We believe that the data herein 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.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

As is the case every year, 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, summary schedule of prior audit findings, 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 applicable to each major program and internal control over compliance, a schedule of findings and questioned costs and corrective action plans (if any) are included in the single audit compliance section of this report.

Profile of the Government

In Iowa, school districts operate in accordance with Dillon's Rule (that is, school districts only have the ability to do that which is expressly authorized by the Code of Iowa), operate under the control of a local board of directors and have fiscal independence from other governmental entities. The District is a political subdivision of the State of Iowa and as such operates public schools and supporting programs for children in preschool through grade twelve.

The District is governed by a seven member Board of Education; members serve overlapping four year terms and are elected on a nonpartisan basis. The Board of Education operates under the policy governance model and thus is a policymaking and planning body whose decisions are carried out by the Superintendent.

The District serves more than 200,000 people who live in Polk and Warren Counties. Covering nearly 86 square miles, the District has developed in the heart of the Des Moines city center, east into Pleasant Hill, west into Windsor Heights and south into Warren County. The District benefits from having strong and diverse neighborhoods and a citizenry deeply involved in its public education. The District's enrollment for 2015 was 32,582, making it by far the largest public school district in Iowa.

Here's what others have to say about Des Moines being a great place to live and work:

- 2016 - Best City for the Middle Class – BusinessInsider
- 2016 - Ranked in the Top 10 Hippest Mid-Sized Cities in America – Gogobot.com
- 2016 - #4 Best Mid-Sized Cities for Making a Living – MoneyGeek.com
- 2016 - #4 Best Cities for Young Families – ValuePenguin.com
- 2016 - #10 Best City to Live and Work – Robert Half
- 2015 - #2 Best City to Find a Job – WalletHub
- 2015 - Emerging Start Up City – Investopedia
- 2015 - #3 Top City for New College Graduates – SmartAsset
- 2015 - #6 Midsize Metro Where College Grads Move for Jobs – AIER
- 2015 - #4 Best City for Technology Workers to Start their Career – Computer Training Schools
- 2015 - Best Places for Business and Careers – Forbes
- 2014 - Des Moines is the #1 Best City for Young Professionals – Forbes
- 2014 - Des Moines is the #3 Best City with the most job opportunities per Capita – Beyond.com
- 2014 - Des Moines is the #2 Best City for Business and Careers – Forbes
- 2014 - Des Moines is the #1 Wealthiest City in America – Today show
- 2014 - Des Moines is the #1 City with an Up and Coming Downtown – Forbes
- 2014 - Des Moines is the #6 City for raising a family – Forbes
- 2013 - Des Moines is the #1 Place for Business and Careers - Forbes
- 2013 - Des Moines ranks #1 "Best Cities for Families." – Kiplinger
- 2013 - Des Moines Named No. 5 in Top 100 Best Cities for Families. – Parenting Magazine
- 2013 - Greater Des Moines Ranks #1 Best City for Young Professionals. – Forbes
- 2013 - Des Moines ranks #2 Best Place for Business. – Forbes
- 2013 - Des Moines is the #1 richest metro in the nation. – US News & World Report

The District provides a full range of programs and services including instructional, preschool, student services, school building administration, maintenance of sites and facilities, transportation, food service, child care, custodial, extra-curricular and athletic activities and community education. The District provides a comprehensive educational program appropriate to students in pre-school through grade twelve. These services include regular and enriched academic education, special education, vocational education and numerous individualized programs such as instruction for students at-risk, gifted and talented or extended learning language (ELL).

The District operates preschool programs for over 1900 children in most elementary schools and three preschool centers. It has 39 elementary schools; 10 middle schools; 1 standalone ninth grade academy; 6 high schools including an alternative high school; a career and technical institute and central academy; and many other specialty schools and programs. The District also maintains a maintenance/warehouse facility, a print shop, and athletic complexes. The average age of the District's buildings is 68 years. However, given spending through Statewide Penny revenues we have been able to ensure these buildings are well maintained for many additional years of future use. The District prefers to maintain the current structures as opposed to building new ones to replace them.

Des Moines Public Schools may be the biggest provider of public education in Iowa, but the district takes anything but a one-size-fits-all approach to educating students. In fact, families in Des Moines can find more educational options than anywhere in the state, including:

- Advanced Placement. Central Academy, attended by students from 13 central Iowa school districts, is Iowa's top AP program, dedicated to providing a challenging curriculum. The Belin-Blank Center for Gifted Education and Talent Development placed Central Academy "in a class by itself" as a college preparatory school. In addition, DMPS has completed a significant expansion of AP course offerings throughout all five comprehensive high schools, providing thousands of student's access to rigorous and advanced courses.
- International Baccalaureate. Home to the only IB program in Iowa, DMPS offers this world- class educational opportunity at five elementary schools (Hubbell, Park Avenue, Stowe, Moore, and Walnut Street) and four middle schools (Brody, Goodrell, Meredith, and Merrill). Central Academy and Hoover are the only high schools in Iowa to offer these programs.
- Career & Technical Institute. Located at Central Campus, CTI presents students with learning opportunities in several high-skill areas, including graphic design, broadcasting & film, culinary arts, fashion, and automotive technology. Also, DMPS offers one of only three high school aviation programs certified by the FAA and has the largest marine biology program of any non- coastal high school.
- Higher Education Partnerships. Des Moines Public Schools' proximity to Drake University, Iowa State University, Des Moines University, Grandview University, Des Moines Area Community College, and other institutions of higher education have created numerous partnerships and collaborative efforts that support students, teachers, and administrators. This includes the District's Master Degree Program exclusively through Drake University offered to teachers at little or no cost who are part of the Blue Teaching Contract.
- Downtown School. The Downtown School, located in Central Campus, is a national model where students learn in multiage classes. The school has been nationally recognized for its innovative programming, including an extended calendar, and is a great option for parents who work in the heart of the city.
- Montessori. Cowles Montessori School is the only public Montessori program in Iowa, serving students in grades K-8. Students learn in multiage classrooms and children's natural curiosities are exploited to the fullest as they advance at their own pace.
- Alternative Programs. Future Pathways, Scavo Alternative High School, Orchard Place, Des Moines Alternative, and Middle School Alternative offer programming for students who may be struggling with attendance requirements at a comprehensive school or have other personal issues and need alternative programming.
- Ruby Van Meter and Smouse schools. Ruby Van Meter School (serving secondary-age children) and Smouse Opportunity School (serving elementary-age children) provide high-quality, specialized instruction to physically and mentally disabled students.

Des Moines educators and staff are recognized as being among the very best in their fields. These are just some of the awards and honors they have earned in recent years:

- 2016 AP Teacher of the Year
- 2016 ISPPRA Communicator of the Year
- 2016 5 Time Energy Star Partner of the Year
- 2016 Des Moines Register Coach of the year
- 2015 Magna Award – National School Board Association
- 2015 Iowa Teacher of the Year

- 2015 Ten National Award Winners
- 2015 “Why Des Moines Can be a Model for Urban Education” – National Journal
- 2015 District of Distinction – District Administration Magazine
- 2014 Iowa Elementary School Counselor of the Year
- 2014 Presidential Award for Excellence in Mathematics and Science Teaching finalists
- 2014 Prostart Educator of Excellence Award
- 2014 Iowa School Social Worker of the Year by the Iowa School Social Workers Association
- 2014 Four Rotary Educators of the Year
- 2014 Rising Star by the Journalism Education Association
- 2014 Two Finalists for Iowa Teacher of the Year
- 2013 finalist for Iowa Teacher of the Year
- 2013 and 2012 ENERGY STAR Partner of the Year from the Environmental Protection Agency
- 2013 and 2012 Governor’s Iowa Environmental Excellence Award
- 2013 Green Ribbon School Award for Des Moines Public Schools from the U.S. Department of Education
- 2013 and 2012: 15 total awards and citations from the National School Public Relations Association for a wide range of communications including a new website, a revamped and more frequent community newsletter, special purpose publications/reports, and video news productions. In both years, DMPS received NSPRA’s highest honor, the Award of Excellence, for use of social media, one of only two districts nationwide to achieve that distinction in 2012.
- 2013 recipient of a Sunny Award for having one of the most transparent government websites in the nation
- 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007 Certificate of Excellence in Financial Reporting from the Association of School Business Officials Association for the school district’s comprehensive annual financial report
- 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the school district’s comprehensive annual financial report

Economic Condition and Outlook

Local Economy - The Des Moines Independent Community School District is located in the center of Iowa, primarily in the city of Des Moines (City). The City is the industrial, technology, commercial, financial, trade, transportation and governmental center of Iowa. The City’s insurance industry is the third largest in the world, after London and Hartford, with over 200 insurance offices/headquarters located in Des Moines. Insurance activities are part of a strong local economy that is also based in agriculture, manufacturing, technology, education, health care and other services. Principal Financial Group, Inc. and Unity Point Health Systems are the major private employers within the District.

Des Moines, the city proper, is comprised of 80.87 square miles of land with a population of 210,000, approximately 25% of which is younger than 18. The median household income (2015) in Des Moines was \$61,526, and approximately 26% of persons live below the poverty line.

Today, Iowa’s economy stands on firm ground as it recovers from the deep recession that began in 2008. A steady employment outlook resulted in Iowa’s unemployment rate increasing slightly to 4.2 percent in August 2016 from 3.3 percent in August 2015. According to a report issued by the Iowa Legislative Services Agency (LSA) For FY 2017, the REC estimates growth will be positive 4.2%. In dollar terms, net revenue is projected to increase \$266.0 million for FY 2016 and increase \$294.6 million for FY 2017. When transfer revenue is included, FY 2016 projected growth is \$234.8 million (3.4%), while FY 2017 growth is projected at positive \$294.4 million (4.2%) (LSA Summary of FY17 Budget).

The District has experienced slow but steady increases in its tax base, averaging about 1 percent per year. At the same time, enrollment taken on October 1, 2015 affecting fiscal year 2017 remained flat with the October 1, 2014 count. The amount of state supplemental aid for FY17 is 2.25%. Enrollment is projected to remain stable or increase slightly in future years.

Long-Term Financial Planning and Relevant Financial Policies - The district's solvency ratio is a measure of the district's fund equity position and is defined as the unassigned fund balance (commonly referred to as the cash reserves) divided by the district's total General Fund revenues, less AEA flow-through. Board guidelines state that the solvency ratio should not go below 3 percent, without prior knowledge of the Board. The Iowa Association of School Boards (IASB) considers a solvency ratio of 0 - 5 percent to be adequate for short-term credit purposes, while a ratio of 5 - 10 is within "Target" or "Good" and therefore "can handle the unexpected." In addition during the 12-13 school year, the District's School Board approved a 15.0% minimum for the District's solvency ratio. The solvency ratio for the district decreased at year end to 13.0 percent, down from 13.2 percent in the prior year.

In addition, the Board monitors the district's unspent spending ratio. This ratio is a measure of the District's unbudgeted authorized spending capacity (not cash reserves) and is defined as the district's unspent spending authority divided by the district's maximum budget authority. It should be noted that reaching the maximum budget authority level would require the board to authorize and levy additional property taxes. The IASB recommends this ratio be in the target range of 10 - 20 percent. The projected unspent spending authority balance ratio is 9.5 percent, down from 11.9 percent for the prior year.

Major Initiatives: We have completed the fourth phase of bonding ahead on the Statewide Penny. The district sold Revenue Bonds in FY 2014 as a way to minimize future inflationary increases by condensing repair and renovation costs from a 10 year plan into a 5 year plan. The bonds would be paid back using Statewide Penny revenue.

The District is in the process of continuing to invest heavily in technology in the classroom. This is slated to be accomplished through the District's IT Blueprint. The District has installed state of the art interactive projectors in every classroom as well as has rolled out students devices in every building. This is an ongoing initiative to ensure each student is taught in a 21st Century learning environment.

The District continues to treat energy savings/consumption as a priority. Currently 99.8% of our classrooms are air conditioned. This is a 26% increase since 2008. Forty-one (41) of our schools utilize the earth's natural temperatures to heat and cool our buildings. Fifty-seven (57) schools are ENERGY STAR qualified which means they operate in the upper 25% of like buildings nationally. Recognition of our sustainability is that the district was recognized with these major awards:

- 2016 ENERGY STAR Climate Communicator
- 2016 Governor's Iowa Environmental Excellence Award in Energy Efficiency/Renewable Energy
- 2016, 2015, 2014 ENERGY STAR Partner of the Year - Sustained Excellence
- 2015 Environmental Protection Agency's ENERGY STAR National Building Competition: Operations Center and Greenwood Elementary School top finishers in the category of water-use reduction for individual buildings. DMPS High Schools team finished #5 for water-use reduction out of all teams entered.
- 2014 Environmental Protection Agency's ENERGY STAR National Building Competition: Findley Elementary School ranked #1 in education category for the most energy-consumption reduction among all entered K-12 facilities. Pleasant Hill a top finisher in the category of water-use reduction with five additional facilities posting more than 20-percent reductions in water use.
- 2014, 2015 ENERGY STAR Partner of the Year - Climate Communications
- 2014 Building Operations Managements FMXcellence Recognition
- 2013 Environmental Protection Agency's ENERGY STAR National Building Competition: Studebaker Elementary School ranked #7 and McCombs Middle School ranked #8 overall for the most energy-consumption reduction
- 2013 Green Ribbon Schools District Sustainability Award
- 2013 ENERGY STAR Partner of the Year
- 2013 Governor's Iowa Environmental Excellence Award for Outstanding Environmental Leadership and Innovation

Voters of the district on September 14, 2010 approved the continuation of the property, plant and equipment tax levy (PPEL) for another 10 years, through fiscal year 2021.

Other Financial Information

Internal Control. Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that its assets are protected from loss, theft or misuse and to ensure that adequate accounting 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. Internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

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

As a part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal awards programs. The results of the District's single audit for the fiscal year ended June 30, 2016 provided no instances of material weaknesses in the internal control or violations of applicable laws.

Budgetary Controls. In addition, the District maintains strong budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, enterprise funds, Capital Projects Fund and Private Purpose Trust 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 at the function level for all funds combined rather than at the individual fund level.

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

Basis of Presentation. The charts and accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records materially conform to the Uniform Accounting System for Iowa Schools, Chapter 11 of the Code of Iowa and Area Educational Agencies issued by the Department of Education, state of Iowa. The chart of accounts manual is updated annually and the District is materially in compliance with these requirements.

Independent Audit. The accounting firm RSM US LLP was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules is included in the financial section of this report. The Comprehensive Annual Financial Report also includes a statistical section which is unaudited.

Awards and Acknowledgments

We are pleased to say that for the ninth year in a row the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Des Moines Independent Public School district for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a district must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

In addition, The Association of School Business Officials (ASBO) International has, for the ninth year in a row, awarded a Certificate of Excellence in Financial Reporting to the district for the fiscal year ending June 30, 2015. This award represents the highest recognition for school district operations offered by ASBO International.

Each Certificate is valid for a period of one year only and the certificates for fiscal year 2015 are included in this report. We believe that our current CAFR continues to meet the GFOA and ASBO International Certificate of Achievement programs' requirements and we are submitting it to both the GFOA and ASBO International to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the District's accounting and payroll staff and our auditors, RSM US LLP. We would like to express our appreciation to all staff members who assisted and contributed to this report as well as members of city and county governments. Also, appreciation is expressed for the interest and support of the Board of Education in conducting the financial operations of the District in a most responsible and progressive manner.

Respectfully submitted,



Dr. Thomas M. Ahart, Superintendent



Thomas L. N. Harper, Chief Financial Officer
CPA, CFM, CMA, CIA, SFO, CGFM, CITP, SBO, CGMA,
CPFO

Des Moines Independent Community School District

**Board of Education and School District Officials
Year Ended June 30, 2016**

Name	Title	Term Expires
Board of Education		
Rob X. Barron	President	2017
Teree Caldwell-Johnson	Vice President	2017
Heather Anderson	Board Member	2019
Cindy Elsbernd	Board Member	2019
Connie Boesen	Board Member	2017
Dionna Langford	Board Member	2017
Natasha Newcomb	Board Member	2019
School District Officials		
Thomas Ahart	Superintendent	
Thomas Harper	Secretary and Treasurer	Appointed



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Des Moines Independent
Community School District
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting Award
is presented to

**Des Moines Independent Community
School District**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ending June 30, 2015**

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



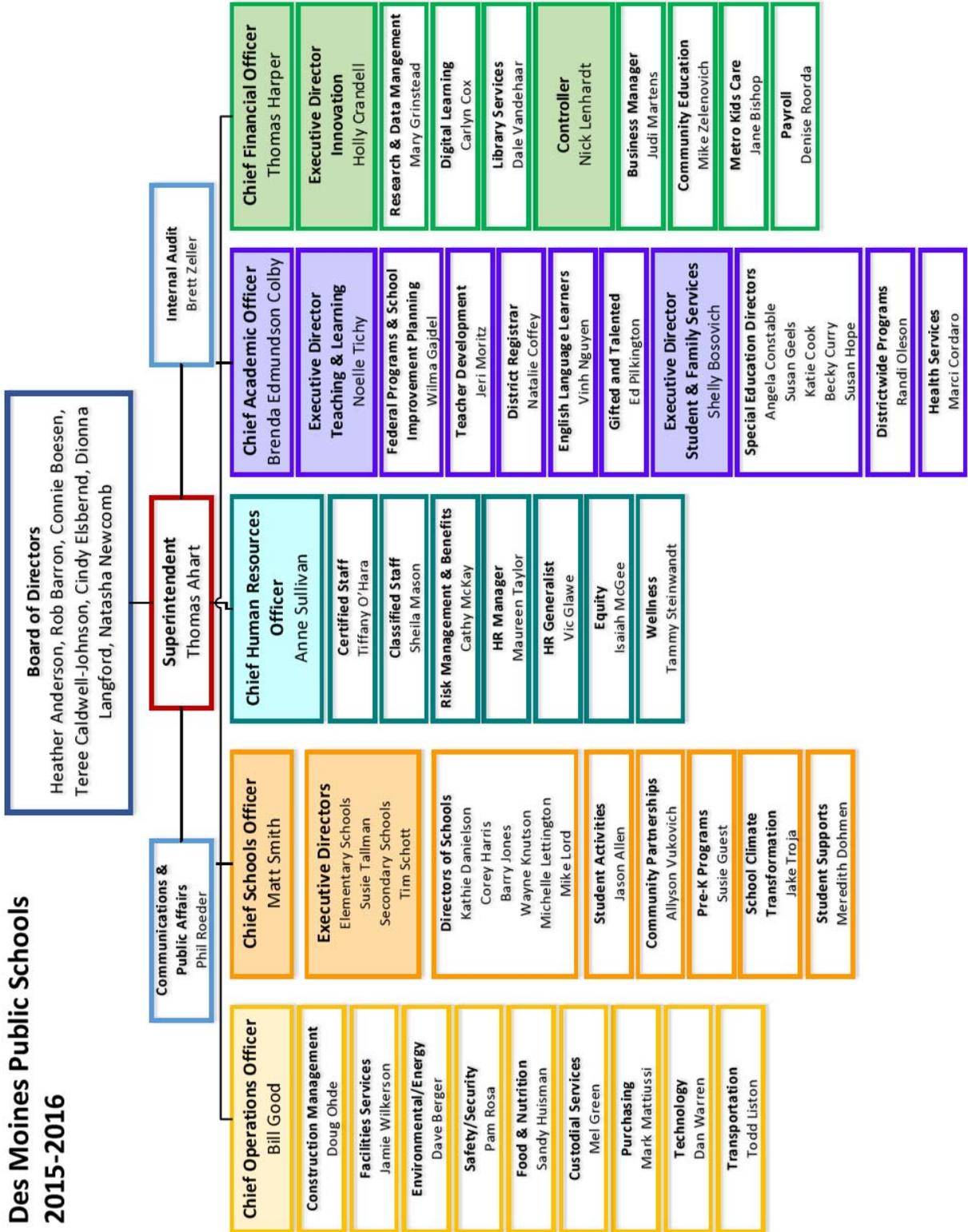
Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

Des Moines Public Schools 2015-2016





RSM US LLP

Independent Auditor's Report

To the Board of Directors
Des Moines Independent Community School District
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 Des Moines Independent Community School District (the District) as of and for the year ended June 30, 2016, 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. 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 District as of June 30, 2016, 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 on pages 3 through 15, the schedule of funding progress on page 64, the Iowa Public Employees' Retirement System pension plan schedules on pages 65 through 67, the Des Moines Teachers' Retirement System pension plan schedules on pages 68 through 74 and the budgetary comparison schedule on pages 75 through 77 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 nonmajor fund financial statements and individual fund statements, listed in the table of contents as supplementary information, and the accompanying schedule of expenditures of federal awards, as required by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of management and was derived from and relates 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

RSM US LLP

Des Moines, Iowa
November 4, 2016

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

This Management's Discussion and Analysis is provided by the management of the Des Moines Independent Community School District (District) to offer readers an overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider this Discussion and Analysis presented here in conjunction with the financial statements, which follow.

Financial Highlights

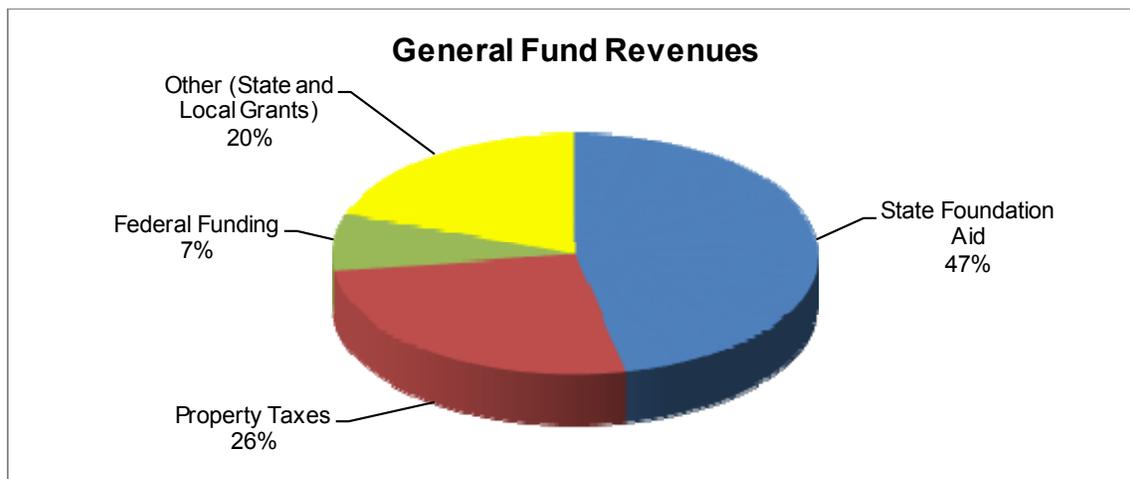
- **Budget:** The state of Iowa legislatively approved a state supplemental aid factor of 1.25 percent for fiscal year 2016. For fiscal year 2017 the state supplemental aid rate is 2.25 percent.

In April 2015, the board approved an expenditure budget for fiscal year 2016 for all funds of \$535.1 (without transfers) or \$517.0 million (including transfers). In June 2016, the board approved a budget amendment to increase expenditures by \$21.2 million.

This year, actual expenditures for all funds by major function were more than anticipated, \$15.6 million more than budgeted.

- **Revenue:** Government-wide revenues were \$496.6 million, which primarily consisted of state aid, property taxes, federal grants and local option sales taxes. General Fund revenues accounted for 84.4 percent of the Government-wide revenue. Program specific revenues in the form of charges for services and grants, and contributions accounted for 28.1 percent of total fiscal year 2016 revenues.

The General Fund had \$419.2 million in revenues for fiscal year 2016, which primarily consisted of state aid and property taxes. General Fund revenues increased 5.7 percent in fiscal year 2016, primarily due to an increase in property tax revenue, enrollment, and categorical funding.

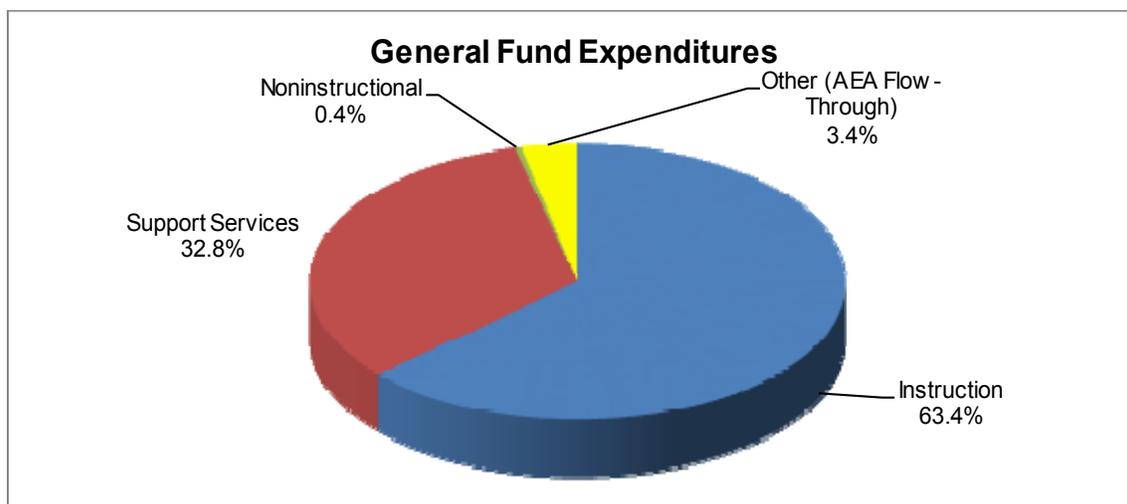


Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

Expenses: Government-wide expenses, including business-type activities, were \$485.9 million related to governmental activities, of which \$139.7 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$356.9 million provided for the remaining costs of these programs.

The General Fund had \$412.5 million in fiscal year 2016 expenditures, which primarily consisted of instructional expenditures. General Fund expenditures increased 3.4 percent, primarily due to an increase in overall FTEs, one-time initiatives to increase efficiency and effectiveness, the adoption of the District's IT Blueprint as well as increased benefit costs for previously existing FTEs.



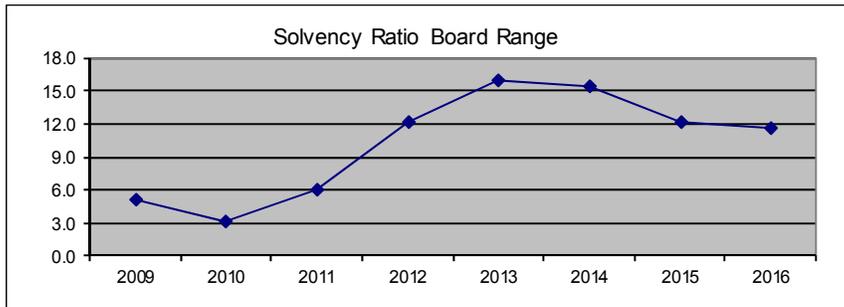
- **General Fund Balance and Solvency Ratio:** The District's overall General Fund balance increased from \$74.2 million as of June 30, 2015 to \$81.0 million as of June 30, 2016, an increase of \$6.8 million. The District, like all school districts in the state, is required to maintain a balanced budget. In an effort to balance the district budget, one of many strategies the district employed was to ensure revenue and expenditures remained balanced.

The General Fund unassigned portion of fund balance increased from \$43.9 million as of June 30, 2015 to \$45.8 million as of June 30, 2016, an increase of \$1.9 million.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

The District's solvency ratio also decreased from 13.2 percent as of June 30, 2015 to 13.0 percent as of June 30, 2016.



The Board established a solvency ratio minimum of 15 percent during FY13. The Iowa Association of School Boards (IASB) considers a solvency ratio of 0-5 percent to be adequate for short-term credit purposes, while a ratio of 5-10 percent is within "target" or "good" and, therefore, "can handle the unexpected." The GFOA recommends at least two months of expenditures of cash on hand, which equates to approximately a 17 percent solvency ratio for the District.

- **Debt:** The District's total long-term debt decreased by a net of \$10.4 million during the current fiscal year due to no new issuances of debt coupled with payments of current debt balances. The total outstanding bond debt at the end of the fiscal year is approximately \$175.8 million, consisting of revenue bonds.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status. That is, all of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when the cash is received or paid.

Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively. However, to assess the District's overall financial health, nonfinancial factors should also be considered, such as changes in the District's property tax base and the condition of District school buildings.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

In the Government-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities:** These are activities primarily supported by property taxes and intergovernmental revenues such as state aid or federal funding, and expenditures are classified by function such as instruction, support services, operation and maintenance of plant, student transportation, operation of noninstructional services and capital construction.
- **Business-type activities:** These are supported by fees charged by the District to help cover the costs of services such as food services, child care services, home remodeling, automotive services and a wellness center.

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. These statements focus on individual parts (funds) of the District, reporting the District's operations in more detail than the Government-wide statements. Some funds are required by state law or bond covenants; some are established to control and manage money for particular purposes.

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. These statements explain how basic services, such as regular program and special education, were financed in the short-term as well as what remains for future spending.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Projects Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. This aggregated information includes the Special Revenue Funds of Student Activity; Management and DMPS (expendable trust funds); Capital Projects Funds of Physical Plant and Equipment Levy (PPEL) and Public Education and Recreation Levy (PERL); Permanent Funds; and the Debt Service Fund.

- **Proprietary funds:** Proprietary funds offer short-term and long-term financial information about the activities the District operates like businesses, i.e. fees are charged to cover the cost of services rendered.

These funds include activities defined as enterprise funds and internal service funds. The District's enterprise funds are all considered nonmajor and include School Nutrition, Child Care, Home Construction, Automotive.

The District has four internal service funds, Self-Insurance, Risk Management, Collage and Print Shop. Because all of these services predominately benefit the District's governmental activities, rather than the business-type activities, they have been included in the governmental activities in the Government-wide financial statements.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

- **Fiduciary funds:** Fiduciary funds provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the Government-wide financial statements because the resources of those funds are not available to support the District's own programs. These funds include Pension Trust, Private Purpose Trust and Agency Funds.

Notes to basic financial statements: The financial statements also include notes that provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements.

Major features of the Government-wide and fund financial statements:

	Government-Wide	Fund Financial Statements		
	Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	Activities that are not proprietary or fiduciary, such as instruction, administration, and building maintenance	Activities the District operates similar to private businesses such as school nutrition	Activities the District administers resources on behalf of someone else, such as scholarships
Required financial statements	Statement of Net Position	Balance Sheet	Statement of Net Position	Statement of Fiduciary Net Position
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows	Statement of Changes in Fiduciary Net Position
Accounting basis	Accrual accounting	Modified accrual accounting	Accrual accounting	Accrual accounting
Measurement focus	Economic resources focus	Current financial focus	Economic resources focus	Economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital and short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or within specified periods after year-end of the year; expenditures when goods or services are received and liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and other postemployment benefit information. The District adopts an annual budget for all budgeted governmental funds, enterprise and trust funds in total. A budgetary comparison schedule has been provided.

Government-Wide Financial Analysis

Net position: The following table presents a summary of the District's net position for the year ended June 30, 2016 with comparison totals as of June 30, 2015:

	Governmental Activities 2016	Governmental Activities 2015	Business-Type Activities 2016	Business-Type Activities 2015	Total 2016	Total 2015
Current assets and other assets	\$ 400,142,353	\$ 427,347,088	\$ 4,553,970	\$ 3,244,068	\$ 404,696,323	\$ 430,591,156
Capital assets, net	516,451,440	489,954,742	2,411,601	2,233,660	518,863,041	492,188,402
Total assets	916,593,793	917,301,830	6,965,571	5,477,728	923,559,364	922,779,558
Deferred outflows of resources	69,821,615	41,955,928	2,220,127	1,333,579	72,041,742	43,289,507
Current liabilities	89,736,517	86,063,976	1,202,648	992,433	90,939,165	87,056,409
Long-term liabilities	358,346,330	339,097,025	6,041,222	4,853,703	364,387,552	343,950,728
Total liabilities	448,082,847	425,161,001	7,243,870	5,846,136	455,326,717	431,007,137
Deferred inflows of resources	170,594,422	175,627,511	1,435,617	1,829,189	172,030,039	177,456,700
Net position:						
Net investment in capital assets	409,270,357	403,601,966	2,411,601	2,233,660	411,681,958	405,835,626
Restricted	36,241,306	28,487,506	-	-	36,241,306	28,487,506
Unrestricted	(77,773,524)	(73,620,226)	(1,905,390)	(3,097,678)	(79,678,914)	(76,717,904)
Total net position	\$ 367,738,139	\$ 358,469,246	\$ 506,211	\$ (864,018)	\$ 368,244,350	\$ 357,605,228

The District's combined net position as of June 30, 2016 was more than the combined net position as of June 30, 2015. The increase pertaining to net investment in capital assets was the result of the capitalization of school renovation, major repair projects that were completed as part of the District's Schools First and Students First Renovation Plans. It should be noted that the District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The primary reason for the overall increase in the total net position was a surplus in the General Fund and favorable experience related to the continuation of accounting for the District's pension plans in accordance with Governmental Accounting Standards Board (GASB) pronouncement number 68. The Statement requires the District to report their proportionate share of the Iowa Public Employees Retirement System (IPERS) as well as the Des Moines Teachers Retirement System (DMTRS). Please refer to Note 9 for further details.

At the end of the current fiscal year, the District is able to report a positive balance in total net position. The same held true for the prior year.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

Changes in net position: The following schedule shows the changes in net position for the year ended June 30, 2016 with comparison totals for the year ended June 30, 2015. The difference between revenues and expenditures represents the change in net position.

	Governmental Activities 2016	Governmental Activities 2015	Business-Type Activities 2016	Business-Type Activities 2015	Total 2016	Total 2015
Revenues:						
Program revenues:						
Charges for services	\$ 25,113,233	\$ 23,116,240	\$ 6,327,968	\$ 6,065,251	\$ 31,441,201	\$ 29,181,491
Operating grants and contributions	89,892,845	81,089,328	18,243,464	17,127,503	108,136,309	98,216,831
Capital grants and contributions	101,867	84,894	-	-	101,867	84,894
General revenues:						
Property taxes	127,295,742	121,872,271	-	-	127,295,742	121,872,271
Sales tax, capital projects	30,991,151	30,840,252	-	-	30,991,151	30,840,252
Investment earnings	1,517,487	296,406	-	-	1,517,487	296,406
State aid and other state sources	195,304,005	193,830,409	-	-	195,304,005	193,830,409
Other including transfers from fiduciary fund	1,794,570	1,394,310	-	-	1,794,570	1,394,310
Total revenues	472,010,900	452,524,110	24,571,432	23,192,754	496,582,332	475,716,864
Expenses:						
Instruction	285,545,061	275,533,672	-	-	285,545,061	275,533,672
Support services	148,966,046	137,518,672	-	-	148,966,046	137,518,672
Noninstructional	7,497,669	3,991,896	-	-	7,497,669	3,991,896
Other expenses	20,733,231	21,120,682	23,201,203	21,898,261	43,934,434	43,018,943
Total expenses	462,742,007	438,164,922	23,201,203	21,898,261	485,943,210	460,063,183
Increase in net position before transfers	9,268,893	14,359,188	1,370,229	1,294,493	10,639,122	15,653,681
Transfers	-	33,252	-	(33,252)	-	-
Change in net position	9,268,893	14,392,440	1,370,229	1,261,241	10,639,122	15,653,681
Net position, beginning	358,469,246	344,076,806	(864,018)	(2,125,259)	357,605,228	341,951,547
Net position, (deficit) ending	\$ 367,738,139	\$ 358,469,246	\$ 506,211	\$ (864,018)	\$ 368,244,350	\$ 357,605,228

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

- The main revenue sources were state aid and other state sources, property taxes and sales taxes, which account for 71.2 percent of total revenue.
- The District's expenses primarily relate to instruction and support services which account for 89.4 percent of the total expenses.
- Overall the District had an increase in net position of \$10.6 million in 2016. The change in net position was an increase of \$15.7 million in 2015.
- Governmental activities increased the net position by \$9.3 million or 87.1 percent of the total increase in net position. The change was primarily due to the increase in property tax revenue compared to 2015.

Governmental Activities

- State foundation aid and other state sources, property taxes and sales taxes are the primary sources of revenue for the District, 41.4 percent, 27.0 percent and 6.6 percent, respectively, of total governmental activities revenues for fiscal year 2016 compared to 43 percent, 27 percent and 7 percent, respectively, for fiscal year 2015. Overall revenue increased 4.3 percent primarily due to an increase in state supplemental aid revenue and property tax revenue. Instruction constitutes the largest portion of expenditures at \$285.5 million or 61.7 percent of governmental activities expenses. The District offers a wide array of programs including general and special education, vocational and college preparatory classes.
- The noninstructional and other expenses of the District accounted for 6.1 percent of total costs.

Net Cost: The following table presents the total and net cost of the District's major governmental activities including instruction, other support services, noninstructional programs and other expenses, with comparative totals for 2015:

	2016		2015	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 285,545,061	\$ (194,299,822)	\$ 275,533,672	\$ (193,192,394)
Other support services	148,966,046	(139,189,692)	137,518,672	(129,401,072)
Noninstructional programs	7,497,669	(7,386,313)	3,991,896	(3,989,375)
Other expenses	20,733,231	(6,758,235)	21,120,682	(7,291,619)
Total expenses	\$ 462,742,007	\$ (347,634,062)	\$ 438,164,922	\$ (333,874,460)

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

Net cost of governmental activities was financed by general revenues, which are made up of primarily property taxes and state aid. Federal and state governments and charges for services subsidized certain programs with federal stimulus funds, grants and contributions, and other local revenues of \$115.1 million or 24.9 percent of total governmental activities expenses.

Business-Type Activities – Change in Net Position:

- The School Nutrition and Child Care programs constitute the majority of the business-type activities.
- The School Nutrition's primary sources of revenue are federal revenue and student fees and the primary expenses are staff and commodities. The District's free and reduced participation, coupled with the District's involvement with the federal community eligibility program, continued to increase during the fiscal year; therefore, the amount of federal revenue continued to increase, while the amount of student fees decreased. The School Nutrition Fund had a change in net position of \$0.9 million for fiscal year 2016.
- The primary source of revenue for the Child Care program is child care fees and the primary expense is staff. The Child Care Fund had a change in net position of \$0.5 million.

Financial Analysis of the District's Funds

Governmental Funds Highlights

General Fund:

- The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$6.8 million. The District's solvency ratio (unassigned plus assigned fund balance/General Fund expenditures) decreased from 13.2 percent to 13.0 percent primarily due to increase expenditures related to an overall increase of FTEs, one-time initiatives to increase efficiency and effectiveness, the adoption of the District's IT Blueprint as well as increased benefit costs for previously existing FTEs.
- The increase in General Fund revenues (5.7 percent) compared to fiscal year 2015 was primarily due to an increase in state revenue of 5.4 percent and property tax revenue increases of 9.2 percent.
- The increase in General Fund expenditures (3.4 percent) compared to fiscal year 2015 was primarily due to an overall increase of FTEs, one-time initiatives to increase efficiency and effectiveness, the adoption of the District's IT Blueprint as well as increased benefit costs for previously existing FTEs.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

Capital Projects Fund:

- The Capital Projects Fund has a total fund balance of \$77.0 million for 2016 and \$106.0 million for 2015. The net decrease in the Capital Projects fund for the fiscal year was primarily due to consistent expenditures from the state-wide penny projects coupled with no new additional revenue bonds offered during the year.

Proprietary Fund Highlights

There are no major enterprise funds. The School Nutrition Fund represents 83.0 percent of the expenses of total enterprise funds. The District's percent of students eligible for free and reduced meals increased from fiscal year 2015 (69 percent) to 2016 (73 percent), resulting in an increase in nonoperating revenue from the federal government to cover these meals and a decrease in operating revenues from meal charges to students.

Budgetary Highlights

In accordance with state law, the school board annually adopts a budget following the public notice and hearing requirements. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared in accordance with accounting principles generally accepted in the United States of America. As is the District's practice, the District modified its adopted budget once during fiscal year 2016.

- This year, expenditures (including transfers) for all funds by major function were greater than anticipated, at \$15.6 million more than the final budget.
- The District's General Fund, its principal operating fund, continues to remain financially solvent.
- The District received 102.2 percent of budgeted General Fund revenues, property taxes collected were slightly above budget, federal revenues were 102.5 percent of budget; other revenues were 123.2 percent of budget. Overall General Fund revenue increased 5.9 percent over the prior year primarily due to increases in property tax revenue.
- The District spent 100.6 percent of budgeted General Fund expenditures based on the final budget. General Fund expenditures increased primarily due to an increase in overall FTEs, one-time initiatives to increase efficiency and effectiveness while enhancing the district's use of technology, as well as increased benefit costs for previously existing FTEs.
- At the end of fiscal year 2016, the projected Unspent Authorized Budget (Spending Authority) ratio for the General Fund was 9.5 percent, a decrease when compared to 11.9 percent at the end of fiscal year 2015.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

Capital Assets and Debt Administration

Capital Assets: As of June 30, 2016, the District had invested \$518.9 million in capital assets, including school buildings and major repairs, athletic facilities, buses and other vehicles, computers and other equipment. This amount represents a net increase of \$26.7 million from last year, primarily due to the accelerated spending on the Schools First and Students First school renovation plan as a result of the receipt of the proceeds of \$70 million in revenue bonds during fiscal year 2010, again in 2012 (\$71.9 million), as well as additional bonding in 2013 (\$8.78 million) and in 2014 (\$61.9 million).

The following schedule presents capital asset balances, net of accumulated depreciation, for the fiscal year ended June 30, 2016, compared with balances as of June 30, 2015:

	Governmental Activities 2016	Governmental Activities 2015	Business-Type Activities 2016	Business-Type Activities 2015	Total 2016	Total 2015
Land	\$ 4,113,994	\$ 4,113,994	\$ 122,380	\$ 98,173	\$ 4,236,374	\$ 4,212,167
Construction-in-progress	22,395,754	27,203,809	-	-	22,395,754	27,203,809
Land improvements	2,210,789	2,412,248	-	-	2,210,789	2,412,248
Buildings and improvements	475,985,045	444,569,990	-	-	475,985,045	444,569,990
Vehicles, furniture and equipment	11,745,858	11,654,701	2,289,221	2,135,487	14,035,079	13,790,188
Total	\$ 516,451,440	\$ 489,954,742	\$ 2,411,601	\$ 2,233,660	\$ 518,863,041	\$ 492,188,402

Additional information on the District's capital assets can be found in Note 5 to the Basic Financial Statements.

Debt Administration: As of June 30, 2016, the District had \$175.8 million in bonds outstanding, of which \$10.7 million is due within one year. The following table presents a summary of the District's outstanding long-term debt for the year ended June 30, 2016, with comparative information as of June 30, 2015:

	2016	2015
Sales tax revenue	\$ 175,785,000	\$ 186,140,000

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

State statutes currently limit the amount of debt a district may issue to five percent of its total assessed valuation. The current debt limitation for the District is \$567.3 million which is substantially more than the District's outstanding debt.

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

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could affect its financial health in the future:

- District enrollment increased slightly from October 2015 to October 2016 by approximately 0.6 percent, thus remaining stable overall. The enrollment in October 2015 times the district cost per student determines the amount of state foundation aid the district will receive for fiscal year 2017 from a combination of state aid and property taxes. The cost per student from year to year increases by a factor known as state supplemental aid. Normally, state supplemental aid is set by the legislature two years prior to the year it will affect the cost per student. The state supplemental aid rate for fiscal year 2016 was 1.25 percent, state supplemental aid rate for fiscal year 2017 is 2.25 percent.
- Enrollment per modeling done by the Iowa Department of Education is projected to remain stable or increase slightly in future years.
- The statewide penny sales (SWP) tax was implemented in the District on July 1, 2010. The District's SWP tax revenue for each fiscal year is calculated by multiplying the certified enrollment by the statewide average tax revenue per student. The statewide average is calculated by dividing the total statewide penny sales tax revenue by the statewide enrollment. For fiscal year 2015-16, total statewide penny sales tax revenue was projected to increase to \$458,179,108 while statewide enrollment increased to 480,772, producing a statewide average tax revenue per student of \$953 for fiscal year 2015-16. The Iowa Department of Management anticipates the statewide average will continue to increase 1-2 percent each year through fiscal year 2016-17.
- Spending Authority implications - The state controls the maximum amount each district can spend each year through the spending authority function. Under the spending authority control, it is illegal for a school district to exceed its maximum authorized budget. (To reach the maximum budget authority level, the Board would have to authorize and levy additional property taxes.) It is important to understand that the limit on spending is the amount of spending authority a district has, not the amount of cash or fund balance a district has. The district's total spending authority includes the current-year authorized budget *plus* the unspent authorized budget from the prior year (e.g., the amount of money that a district was authorized to spend in a fiscal year but did not, similar to "savings").

Spending authority is directly tied to student enrollment, and there are only three general means by which the district's spending authority can increase: (1) increased State Supplemental Aid (i.e., Allowable Growth), (2) increased enrollment, or (3) increased miscellaneous income. The district does not anticipate significant growth in any of those three areas. (Note: for budget planning purposes, the district views consistent enrollment increases of less than 1% as insignificant.)

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2016

In situations where spending authority is not growing, if no adjustments are made to expenses, the unspent budget is utilized to cover expenses.

The unspent spending authority ratio is a measure of the district's unbudgeted authorized spending capacity (not cash reserves) and is defined as the district's unspent spending authority divided by the district's maximum budget authority. The Iowa Association of School Boards (IASB) recommends this ratio be in the target range of 10-20%. The Board adopted guidelines in FY 2012 setting the target for the district's unspent spending authority ratio at 10%; in 2015 the Board raised this target to 15%. The unspent spending authority ratio for FY 2015 was 11.9% and 9.5% for FY 2016. Based on a worst-case-scenario of 1.00% growth in Supplemental State Aid (i.e., Allowable Growth), it is projected the unspent spending authority for FY 2018 will continue to decline.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, please contact Thomas Harper, Chief Financial Officer, of the Business and Finance Department, 242-7745, Des Moines Independent Community School District, 2323 Grand Avenue, Des Moines, Iowa 50312.

Des Moines Independent Community School District

**Statement of Net Position
June 30, 2016**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 156,356,317	\$ 3,077,118	\$ 159,433,435
Cash held with agent	18,626,480	-	18,626,480
Property taxes receivable - current year	1,122,764	-	1,122,764
Property taxes receivable - succeeding year	127,369,855	-	127,369,855
Interest receivable	408,093	-	408,093
Other receivables	927,118	528,933	1,456,051
Due from other governments	21,703,096	243,000	21,946,096
Inventories	589,328	703,674	1,293,002
Prepaid expenses	1,494,901	1,245	1,496,146
Total current assets	328,597,952	4,553,970	333,151,922
Noncurrent assets:			
Restricted cash and investments	61,001,555	-	61,001,555
Net pension asset	10,542,846	-	10,542,846
	71,544,401	-	71,544,401
Capital assets:			
Capital assets - nondepreciable	26,509,748	122,380	26,632,128
Capital assets - depreciable, net	489,941,692	2,289,221	492,230,913
Total capital assets	516,451,440	2,411,601	518,863,041
Total noncurrent assets	587,995,841	2,411,601	590,407,442
Total assets	916,593,793	6,965,571	923,559,364
Deferred Outflows of Resources			
Pension related amounts	69,821,615	2,220,127	72,041,742
	69,821,615	2,220,127	72,041,742

See notes to basic financial statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 11,059,155	\$ 380,055	\$ 11,439,210
Claims payable	7,511,750	-	7,511,750
Accrued payroll	23,413,402	248,189	23,661,591
Accrued interest payable	646,605	-	646,605
Other current liabilities	14,745,970	-	14,745,970
Due to other governments	13,696,247	15,981	13,712,228
Internal balances	(4,323)	4,323	-
Unearned revenue	91,511	294,990	386,501
Compensated absences	3,160,389	259,110	3,419,499
Special termination benefits	4,710,811	-	4,710,811
Revenue bonds	10,705,000	-	10,705,000
Total current liabilities	89,736,517	1,202,648	90,939,165
Noncurrent liabilities:			
Retrospective insurance rating plan	237,865	-	237,865
Compensated absences	392,163	9,627	401,790
Special termination benefits	8,534,461	-	8,534,461
Other postemployment benefits	27,231,666	-	27,231,666
Revenue bonds, net bond premiums	174,376,539	-	174,376,539
Net pension liability	147,573,636	6,031,595	153,605,231
Total noncurrent liabilities	358,346,330	6,041,222	364,387,552
Total liabilities	448,082,847	7,243,870	455,326,717
Deferred Inflows of Resources			
Property taxes	127,369,855	-	127,369,855
Pension related amounts	43,224,567	1,435,617	44,660,184
Total deferred inflows of resources	170,594,422	1,435,617	172,030,039
Net Position			
Net investment in capital assets	409,270,357	2,411,601	411,681,958
Restricted for:			
DMPs expendable trust	3,456,826	-	3,456,826
Permanent trust	11,583	-	11,583
Categorical funding	10,533,159	-	10,533,159
Shared programs	635,187	-	635,187
Medicaid	22,761	-	22,761
Grants	4,162,005	-	4,162,005
Special education	4,095,912	-	4,095,912
Management levy	4,547,312	-	4,547,312
Physical plant and equipment levy	6,858,737	-	6,858,737
Public education and recreation levy	261,043	-	261,043
Student activities	1,656,781	-	1,656,781
Unrestricted (deficit)	(77,773,524)	(1,905,390)	(79,678,914)
Total net position (deficit)	\$ 367,738,139	\$ 506,211	\$ 368,244,350

Des Moines Independent Community School District

**Statement of Activities
Year Ended June 30, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Instruction	\$ 285,545,061	\$ 10,242,839	\$ 80,900,533	\$ 101,867
Student services	23,906,378	43,489	6,177,503	-
Instructional support services	23,602,238	-	2,252,482	-
General administration	8,571,037	-	-	-
Building administration	23,089,264	-	-	-
Business and central administration	17,624,834	-	-	-
Plant operation and maintenance	39,189,530	-	-	-
Student transportation	12,982,765	845,652	457,228	-
Noninstructional	7,497,669	6,257	105,099	-
AEA support	13,974,996	13,974,996	-	-
Interest and issuance costs on long-term debt	6,758,235	-	-	-
Total governmental activities	462,742,007	25,113,233	89,892,845	101,867
Business-type activities:				
School nutrition	19,257,934	1,926,629	18,243,464	-
Child care	3,911,144	4,369,310	-	-
Home construction	525	2,429	-	-
Automotive	31,600	29,600	-	-
Total business-type activities	23,201,203	6,327,968	18,243,464	-
Total primary government	\$ 485,943,210	\$ 31,441,201	\$ 108,136,309	\$ 101,867

General revenues:

Property taxes:

- Levied for general purposes
- Levied for management
- Levied for property, plant and equipment
- Levied for playground

Sales tax, for capital projects

State foundation aid, for general purposes

Investment earnings

Other local sources

Total general revenues and transfers

Changes in net position

Net position, beginning of year

Net position, end of year

See notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (194,299,822)	\$ -	\$ (194,299,822)
(17,685,386)	-	(17,685,386)
(21,349,756)	-	(21,349,756)
(8,571,037)	-	(8,571,037)
(23,089,264)	-	(23,089,264)
(17,624,834)	-	(17,624,834)
(39,189,530)	-	(39,189,530)
(11,679,885)	-	(11,679,885)
(7,386,313)	-	(7,386,313)
-	-	-
(6,758,235)	-	(6,758,235)
(347,634,062)	-	(347,634,062)
-	912,159	912,159
-	458,166	458,166
-	1,904	1,904
-	(2,000)	(2,000)
-	1,370,229	1,370,229
(347,634,062)	1,370,229	(346,263,833)
110,669,219	-	110,669,219
8,500,956	-	8,500,956
7,203,640	-	7,203,640
921,927	-	921,927
30,991,151	-	30,991,151
195,304,005	-	195,304,005
1,517,487	-	1,517,487
1,794,570	-	1,794,570
356,902,955	-	356,902,955
9,268,893	1,370,229	10,639,122
358,469,246	(864,018)	357,605,228
\$ 367,738,139	\$ 506,211	\$ 368,244,350

Des Moines Independent Community School District

**Balance Sheet
Governmental Funds
June 30, 2016**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 109,900,931	\$ -	\$ 19,980,214	\$ 129,881,145
Restricted cash and investments	-	59,273,976	1,727,579	61,001,555
Cash held with agent	-	18,626,480	-	18,626,480
Property taxes receivable - current year	978,292	-	144,472	1,122,764
Property taxes receivable - succeeding year	110,795,916	-	16,573,939	127,369,855
Interest receivable	408,093	-	-	408,093
Other receivables	856,500	45,966	24,652	927,118
Due from other governments	15,082,280	6,620,816	-	21,703,096
Inventories	531,517	-	-	531,517
Due from other funds	7,067,451	-	-	7,067,451
Prepaid items	1,491,429	-	3,472	1,494,901
Total assets	\$ 247,112,409	\$ 84,567,238	\$ 38,454,328	\$ 370,133,975
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 4,124,659	\$ 4,875,901	\$ 1,940,421	\$ 10,940,981
Accrued payroll	23,256,769	-	12,530	23,269,299
Special termination benefits	-	-	2,854,314	2,854,314
Other current liabilities	13,591,254	1,142,576	11,990	14,745,820
Due to other governments	13,419,744	-	16,900	13,436,644
Compensated absences	326,901	-	6,614	333,515
Total liabilities	54,719,327	6,018,477	4,842,769	65,580,573
Deferred inflows of resources:				
Succeeding year - property taxes	110,795,916	-	16,573,939	127,369,855
Unavailable revenue - sales tax	-	1,543,673	-	1,543,673
Unavailable revenue - intergovernmental	577,330	5,500	4,001	586,831
Total deferred inflows of resources	111,373,246	1,549,173	16,577,940	129,500,359
Fund balances:				
Nonspendable	2,022,946	-	13,350	2,036,296
Restricted	19,449,024	76,999,588	17,020,269	113,468,881
Committed	11,500,000	-	-	11,500,000
Assigned	2,270,271	-	-	2,270,271
Unassigned	45,777,595	-	-	45,777,595
Total fund balances	81,019,836	76,999,588	17,033,619	175,053,043
Total liabilities, deferred inflows of resources and fund balances	\$ 247,112,409	\$ 84,567,238	\$ 38,454,328	\$ 370,133,975

See notes to basic financial statements.

Des Moines Independent Community School District

**Reconciliation of Total Governmental Fund Balances to Net Position
of Governmental Activities
June 30, 2016**

Total governmental fund balances		\$ 175,053,043
Amount 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:		
Land	\$ 4,113,994	
Construction-in-progress	22,395,754	
Land improvements	9,868,310	
Buildings and improvements	617,542,894	
Vehicles, furniture and equipment	26,526,155	
Accumulated depreciation	<u>(164,014,834)</u>	516,432,273
Other long-term assets are not available to pay for current-period expenditures and, therefore, reported as deferred inflows of resources - unavailable revenue, in the governmental funds		
		2,130,504
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance benefits for employees and print shop services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		14,137,423
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources - IPERS	55,924,607	
Deferred outflows of resources - DMTRS	13,897,008	
Deferred inflows of resources - IPERS	(34,330,749)	
Deferred inflows of resources - DMTRS	<u>(8,893,818)</u>	26,597,048
Certain assets and liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. These assets and liabilities at year-end consist of:		
Net pension asset - DMTRS	10,542,846	
Compensated absences	(3,215,332)	
Sales tax revenue bonds	(175,785,000)	
Bond premiums	(9,296,539)	
Accrued interest payable	(646,605)	
Claims payable for workers' compensation	(2,777,397)	
Retrospective insurance rating plan	(237,865)	
Other postemployment benefits	(27,231,666)	
Net pension liability - IPERS	(147,573,636)	
Special termination benefits	<u>(10,390,958)</u>	(366,612,152)
Net position of governmental activities		<u><u>\$ 367,738,139</u></u>

See notes to basic financial statements.

Des Moines Independent Community School District

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 110,669,219	\$ -	\$ 16,626,524	\$ 127,295,743
Other local sources	22,990,432	464,257	664,129	24,118,818
Sales tax, for capital projects	-	30,928,661	-	30,928,661
Investment earnings (losses)	1,152,823	79,790	284,874	1,517,487
Intermediate sources	807,026	-	-	807,026
State foundation aid	195,304,005	-	-	195,304,005
Other state sources	56,916,298	-	-	56,916,298
Federal sources	31,271,845	-	-	31,271,845
Student activities	132,227	-	2,723,090	2,855,317
Total revenues	419,243,875	31,472,708	20,298,617	471,015,200
Expenditures:				
Current:				
Instruction	261,683,220	-	7,480,095	269,163,315
Student services	22,889,533	-	759,478	23,649,011
Instructional support services	23,292,405	-	26,655	23,319,060
General administration	7,766,224	-	838,243	8,604,467
Building administration	22,539,728	-	450,896	22,990,624
Business and central administration	16,397,437	-	467,016	16,864,453
Plant operation and maintenance	32,434,697	-	5,129,413	37,564,110
Student transportation	10,179,977	-	2,409,214	12,589,191
Noninstructional	1,364,524	-	1,475,766	2,840,290
AEA support	13,974,996	-	-	13,974,996
Capital outlay	-	42,012,687	4,224,311	46,236,998
Debt service:				
Principal retirement	-	-	10,355,000	10,355,000
Interest	-	-	8,143,820	8,143,820
Total expenditures	412,522,741	42,012,687	41,759,907	496,295,335
(Deficiency) of revenues (under) expenditures	6,721,134	(10,539,979)	(21,461,290)	(25,280,135)
Other financing sources (uses):				
Proceeds from sale of capital assets	92,730	-	-	92,730
Transfers in	-	-	18,498,820	18,498,820
Transfers out	-	(18,498,820)	-	(18,498,820)
Total other financing sources (uses)	92,730	(18,498,820)	18,498,820	92,730
Net change in fund balances	6,813,864	(29,038,799)	(2,962,470)	(25,187,405)
Fund balances, beginning of year	74,205,972	106,038,387	19,996,089	200,240,448
Fund balances, end of year	\$ 81,019,836	\$ 76,999,588	\$ 17,033,619	\$ 175,053,043

See notes to basic financial statements.

Des Moines Independent 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, 2016**

Net change in fund balances - total governmental funds \$ (25,187,405)

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 outlay exceeded depreciation in the current period and other transactions involving capital assets:

Capital outlay	\$ 40,928,413	
Depreciation expense	(13,237,254)	
Proceeds from sale of capital assets	(92,730)	
Loss on sale of capital assets	<u>(1,077,596)</u>	26,520,833

Revenues in statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in deferred inflows of resources - unavailable revenue 125,952

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 the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums, whereas this amount is reported as a liability and amortized in the statement of activities:

Repayment of bond principal	10,355,000	
Amortization of bond premiums	<u>1,347,639</u>	11,702,639

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:

Decrease in compensated absences	683,736	
Decrease in retrospective insurance rating plan	(22,541)	
Decrease in accrued interest expense	37,946	
Increase in claims payable for workers' compensation	(230,771)	
Decrease in pollution remediation liability	42,800	
Pension expense	5,184,420	
Increase in other postemployment benefits	(4,381,000)	
Increase in special termination benefits	<u>1,507,406</u>	2,821,996

Internal service funds are used by management to charge the costs of certain activities, such as self insurance benefits for employees and print shop services, to individual funds. The change in net position in the internal service funds is reported with governmental activities in the statement of activities.

(6,715,122)

Change in net position of governmental activities

\$ 9,268,893

See notes to basic financial statements.

Des Moines Independent Community School District

**Statement of Net Position
Proprietary Funds
June 30, 2016**

	Nonmajor Enterprise Funds	Governmental Activities <u>Internal Service Funds</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,077,118	\$ 26,475,172
Other receivables	528,933	-
Due from other governments	243,000	-
Inventories	703,674	57,811
Prepaid expenses	1,245	-
Total current assets	<u>4,553,970</u>	<u>26,532,983</u>
Noncurrent assets:		
Advances to other funds	-	77,840
Capital assets:		
Nondepreciable	122,380	-
Depreciable, net	2,289,221	19,167
Total noncurrent assets	<u>2,411,601</u>	<u>97,007</u>
Total assets	<u>6,965,571</u>	<u>26,629,990</u>
Deferred Outflow of Resources , pension related amounts	<u>2,220,127</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	380,055	118,174
Claims payable	-	4,734,353
Accrued payroll	248,189	144,103
Due to other governments	15,981	259,603
Unearned revenue	294,990	91,511
Compensated absences	259,110	3,705
Due to other funds	-	7,067,451
Other	-	150
Total current liabilities	<u>1,198,325</u>	<u>12,419,050</u>
Noncurrent liabilities:		
Advances from other funds	4,323	73,517
Compensated absences	9,627	-
Net pension liability	6,031,595	-
Total noncurrent liabilities	<u>6,045,545</u>	<u>73,517</u>
Total liabilities	<u>7,243,870</u>	<u>12,492,567</u>
Deferred Inflow of Resources , pension related amounts	<u>1,435,617</u>	<u>-</u>
Net Position (Deficit)		
Investment in capital assets	2,411,601	19,167
Unrestricted	(1,905,390)	14,118,256
Total net position (deficit)	<u>\$ 506,211</u>	<u>\$ 14,137,423</u>

See notes to basic financial statements.

Des Moines Independent Community School District

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2016**

	Nonmajor Enterprise Funds	Governmental Activities <u>Internal Service Funds</u>
Operating revenues:		
Student activities	\$ 28,206	\$ -
Charges for services:		
Employee benefits	-	56,437,211
Sale of food	1,897,269	-
Child care	4,369,310	-
Miscellaneous	1,394	907,736
Total operating revenues	<u>6,296,179</u>	<u>57,344,947</u>
Operating expenses:		
Student services	18,876,790	-
Depreciation	404,119	10,388
Community services	3,911,669	-
Claims and related costs	-	63,109,944
Miscellaneous	-	926,414
Total operating expenses	<u>23,192,578</u>	<u>64,046,746</u>
Operating (loss)	<u>(16,896,399)</u>	<u>(6,701,799)</u>
Nonoperating revenues (expenses):		
Other local sources	31,789	-
State sources	168,853	-
Federal sources	18,074,611	-
Loss on disposal of capital assets	(8,625)	-
Total nonoperating revenues	<u>18,266,628</u>	<u>-</u>
Income (loss) before capital contributions	1,370,229	(6,701,799)
Loss on sale of capital assets	-	(13,323)
Change in net position (deficit)	1,370,229	(6,715,122)
Total net position (deficit), beginning of year	(864,018)	20,852,545
Total net position, end of year	<u>\$ 506,211</u>	<u>\$ 14,137,423</u>

See notes to basic financial statements.

Des Moines Independent Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2016**

	Nonmajor Enterprise Funds	Governmental Activities <u>Internal Service Funds</u>
Cash flows from operating activities:		
Cash received from user charges	\$ 6,365,907	\$ 57,377,419
Cash payments to employees for services	(11,824,817)	(210,554)
Cash payments to suppliers for goods and services	(9,842,324)	(63,642,904)
Net cash used in operating activities	(15,301,234)	(6,476,039)
Cash flows from noncapital financing activities:		
Payments from other funds	101,833	7,147,219
Payments to other funds	(181,362)	(239)
Grants and donations received	17,125,726	-
Net cash provided by noncapital financing activities	17,046,197	7,146,980
Cash flows from capital and related financing activities,		
Acquisition of capital assets	(590,685)	-
Net cash provided by (used in) capital and related financing activities	(590,685)	-
Net increase in cash and cash equivalents	1,154,278	670,941
Cash and cash equivalents, beginning of year	1,922,840	25,804,231
Cash and cash equivalents, end of year	\$ 3,077,118	\$ 26,475,172
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	\$ (16,896,399)	\$ (6,701,799)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	404,119	10,388
Commodities used	1,160,737	-
Changes in assets and liabilities:		
Receivables	42,113	-
Inventories	(207,702)	(6,990)
Prepaid items	(1,245)	-
Accounts payable and due to other governments	146,140	(186,968)
Claims payable	-	243,448
Unearned revenue	27,615	32,472
Accrued liabilities and compensated absences	68,261	133,410
Net pension liability	1,235,247	-
Deferred outflows of resources	(886,548)	-
Deferred inflows of resources	(393,572)	-
Net cash used in operating activities	\$ (15,301,234)	\$ (6,476,039)
Noncash items:		
Noncapital financing activities, commodities received from the U.S. Department of Agriculture	\$ 1,160,737	\$ -

See notes to basic financial statements.

Des Moines Independent Community School District

**Statement of Fiduciary Net Position
Fiduciary and Agency Funds
June 30, 2016**

	Pension Trust	Private Purpose Trust	Agency Faculty and Staff
Assets			
Cash and cash equivalents	\$ -	\$ 726,037	\$ 163,773
Investments:			
Certificates of deposit	4,659,917	-	-
Money market	6,823,107	-	-
U.S. government securities	4,275,443	-	-
Corporate equities	47,684,908	-	-
Mortgage-backed securities	16,059,952	-	-
Corporate obligations	90,435,334	-	-
Preferred stock	1,206,000	-	-
Municipal bonds	70,497,779	-	-
Other fixed income	5,727,964	-	-
Interest receivable	2,401,457	-	-
Other receivables	-	-	-
Prepaid expense	-	-	-
Total assets	249,771,861	726,037	163,773
Liabilities			
Accounts payable	19,440	-	9,957
Due to other governments	-	5,819	-
Due to other entities	-	-	153,816
Total liabilities	19,440	5,819	\$ 163,773
Net Position			
Held in trust for:			
Employees' pension benefits	249,752,421	-	
Scholarships	-	720,218	
Total net position	\$ 249,752,421	\$ 720,218	

See notes to basic financial statements.

Des Moines Independent Community School District

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2016**

	Pension Trust	Private Purpose Trust
Additions:		
Contributions:		
Employer	\$ 1,884,869	\$ -
Employee	1,531,501	-
Private sources	-	7,884
Total contributions	3,416,370	7,884
Investment earnings:		
Net increase in fair value of investments	6,079,801	-
Interest	8,479,270	743
Dividends	1,403,286	-
Total investment earnings	15,962,357	743
Less investment expense	175,837	-
Net investment earnings	15,786,520	743
Total additions	19,202,890	8,627
Deductions:		
Benefit payments	15,430,129	-
Resignation refunds	48,269	-
Beneficiary settlements	611,413	-
Scholarship awarded	-	37,770
Administrative costs	102,674	-
Other	-	54
Total deductions	16,192,485	37,824
Change in net position	3,010,405	(29,197)
Net position, beginning of year	246,742,016	749,415
Net position, end of year	\$ 249,752,421	\$ 720,218

See notes to basic financial statements.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

The financial statements of the Des Moines Independent Community School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Nature of operations: The Board of Directors (the Board) is organized under the Iowa Code. Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures.

The membership of the Board consists of seven members elected by the public. Under existing statutes, the Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls. The District's major operations include education, pupil transportation, construction and maintenance of District facilities and food service.

Reporting entity: The District is a primary government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. The financial statements of the District include all District operations required to be included in accordance with GASB pronouncements concerning the reporting entity. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria are: a) appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District; and b) fiscal dependency. In addition, GASB Standards, set 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 District 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. The District evaluated certain alumni foundations and determined those foundations to not be significant to the District as a whole. Therefore, the District has no component units which meet the GASB criteria that should be included in these basic financial statements.

Significant accounting policies:

Government-wide financial statements: 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 interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of net position presents the District's nonfiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not required to be included among program revenues are reported instead as general revenues.

Fund financial statements: Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual 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, deferred inflows/outflows, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

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

General Fund: The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund: The Capital Projects Fund accounts for all revenues and expenditures generated through the collection of local option sales tax and expenditures attributable to the Schools First Renovation Program.

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

Special Revenue Funds: Account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

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

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

DMPS (Expendable Trust) Fund: This fund accounts for transactions that are received in trust in which both the principal and interest earned can be used to support the District.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Capital Projects Funds: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

Public Education and Recreation Levy (PERL) Fund: This fund is authorized by Iowa Code Section 300.2 and accounts for transactions related to schoolhouse playgrounds and recreational activities within the District. This fund also accounts for community education activity.

Permanent Trust Fund: The Permanent Trust Fund accounts for transactions that are received in trust in which only the interest earned, and not the principal itself, can be used to support the District.

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

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The following enterprise funds of the District are considered nonmajor:

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

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

Home Construction Fund: This fund accounts for transactions for the home building activity performed by students as part of their instructional or extracurricular program. This fund also accounts for the sale of those homes.

Automotive Fund: This fund accounts for transactions for the service and repair of automobiles performed by students as part of their instructional or extracurricular program.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Internal Service Funds: The internal service funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District has the following internal service funds:

Self-Insurance Fund: This fund accounts for transactions for self-insured health insurances including medical, dental, prescription and vision received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurances listed above.

Risk Management Fund: This fund accounts for transactions for certain health insurances including life and disability received by District employees in which the District is responsible for paying all premiums as specified attributable to the insurances listed above.

Collage Fund: This fund accounts for transactions for materials for arts and crafts and services such as laminating and other related activities.

Print Shop Fund: This fund accounts for transactions for print shop and copying services.

Fiduciary Funds: Fiduciary funds account for assets held by the District in a trustee or agency capacity for the benefit of others and cannot be used to support District activities.

The District has the following fiduciary fund types:

Pension Trust Fund: The Pension Trust Fund (DMTRS) accounts for the District's retirement plan for teachers. The fund provides pension benefits to eligible District teachers and administrators.

Private Purpose Trust Funds: These funds account for transactions that are received in trust in which both the principal and interest earned can be used to support the individuals or other organizations. The District's Private Purpose Trust Funds are primarily comprised of scholarship funds to benefit students.

Agency Fund: This fund accounts for assets held in a custodial capacity by the District for individuals, private organizations or other governments. PTAs and PTOs are generally accounted for in these funds. The District only reports assets and liabilities for this fund.

The Government-wide financial statements and the proprietary, pension trust and private purpose trust financial statements are reported using the "economic resources measurement focus." The proprietary pension trust and private purpose trust fund financial statements are reported using the accrual basis of accounting. The agency funds do not have a measurement focus but are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year-end.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Property tax when levied, for intergovernmental revenues when eligibility requirements have been met (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be measurable and are recorded as revenue, if available. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, early retirement payments, other postemployment benefits, pension related amounts and compensated absences are recognized as expenditures only when the liability has matured and payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital financing and capital leases are reported as other financing sources.

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

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 revenues of the District's proprietary funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and claims, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property tax receivable: Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors.

Current year property tax receivable represents unpaid taxes related to the April 2015 levy certification. Property taxes become due and collectible in September and March of the following fiscal year with a 1½ percent per month penalty for delinquent payments. This tax levy is based on January 1, 2014 assessed property valuations and is revenue for fiscal year ended June 30, 2016.

The succeeding year property tax receivable represents taxes certified by the Board of Directors in April 2016. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. The tax asking represents a lien which is effective on the first day of that calendar year. Although the succeeding year property tax receivable has been recorded, the related revenue is a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year ended June 30, 2017, the year for which it is levied.

Due from other governments and other receivables: Due from other governments and other receivables represents amounts due from the state of Iowa, other school districts, and other various grants, reimbursements and shared revenues. All receivables are shown net of an allowance for uncollectibles, if applicable. The District's nonmajor enterprise funds and business-type activities have reported an allowance of \$47,941 as of June 30, 2016 related to other receivables.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Inventories: Inventories are valued at the moving average cost for purchased items and contributed value (fair value at the date received) for government commodities and other donated items. Inventories are recorded as expenses when consumed in the Government-wide financial statements and proprietary funds' financial statements. In the governmental fund financial statements, inventories are accounted for using the consumption method whereby inventory acquisitions are recorded in inventory accounts when purchased and are charged to operations when consumed or sold. The fund balance in the governmental funds relating to inventories is reported as nonspendable.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the Government-wide and fund financial statements on the consumption method. The fund balance in the governmental funds relating to prepaid items is reported as nonspendable.

Investment earnings: Investment earnings are composed of interest, dividends and net changes in the fair value of applicable investments.

Investments: Most of the District's investment are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. See Note 3 for additional information regarding fair value measures. Investments in nonnegotiable certificates of deposit and money market funds are reported as amortized cost.

Capital assets: Capital assets which include land; land improvements; buildings and improvements; vehicles, furniture and equipment; and construction-in-progress are reported in the Government-wide financial statements and the proprietary funds' financial statements.

Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more (\$1,000 or more for the School Nutrition Fund) and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Buildings and improvements	20 - 50 years
Vehicles, furniture and equipment	5 - 15 years

The District's collection of library books and other similar assets are not capitalized. 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.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Deferred outflows of resources: Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of items not yet charged to pension expense and contributions from the District after the measurement date but before the end of the District's reporting period.

Deferred inflows of resources: Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected in the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The governmental funds report unavailable revenues from sales tax and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements and governmental fund statements, succeeding year property tax revenues are reported as a deferred inflow of resources and will become an inflow in the year for which they are levied.

The District's government-wide statement of net position also includes pension related amounts as a deferred inflow of resources. The pension related amounts consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments and unamortized portion of the net difference between expected and actual plan experience.

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

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

Unearned revenue: Unearned revenue in the statement of net position and in the governmental fund financial statements consists of unearned grant proceeds.

Compensated absences: The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Accrued sick leave is earned by all full-time employees at the rate of 15 days annually. Sick leave balances are not paid upon termination of employment. Full-time employees earn vacation in accordance with their employment agreement. The current and long-term liabilities for accumulated vacation are accrued when incurred in the Government-wide and proprietary funds' financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements.

Long-term obligations: In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities on the statement of net position. Bond premiums are reported as a liability and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported in the year in which the expenses were incurred.

In the fund financial statements, governmental fund types recognize bond premiums through current year operations. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Principal payments and bond issuance costs are reported as debt service expenditures.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Pensions: For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and Des Moines Teachers' Retirement System (DMTRS) and additions to/deductions from these fiduciary net positions has been determined on the same basis as they are reported by IPERS and DMTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund balance: 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.

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 through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the District's intent to use them for a specific purpose. It is the District's policy that the authority to assign fund balance has been delegated by the District's Board of Directors to the Chief Financial Officer and Controller, through the adoption of the budget.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of the governmental funds would also be reported as unassigned.

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

Net position: Net position represent the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net investment in capital assets excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Capital Projects Fund was \$77,900,456. Net position is reported as restricted in the Government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net position restricted through enabling legislation as of June 30, 2016 consists of \$4,547,312 for management levy, \$6,858,737 for physical plant and equipment levy, and \$261,043 for public education and recreation levy.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Donor restricted net position include \$3,456,826 for net position in the DMPS (Expendable Trust) Fund which is to be used mainly for the Smouse School and \$11,583 in the Permanent Fund to be used for teacher education and training.

Net position restricted for other purposes consists of \$21,105,805 restricted for categorical funding, various grants and sponsored programs, including Medicaid programs and Student Activity balances.

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

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

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as “due to/from other funds” or “advances to/from other funds” in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Estimates: The preparation of the financial statements in conformity with U.S. GAAP 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. Legal Compliance

The District operates within the budget requirements for school districts as specified by state law and as prescribed by the Iowa Department of Management.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for budgeted governmental, enterprise and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, noninstructional programs and other expenditures. The District adopts its annual program budget on a GAAP basis of accounting.

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

The Child Care Fund and Collage Fund had deficit balances as of June 30, 2016, of \$1,036,220 and \$73,863, respectively. The District will analyze the funds' activity and take the necessary steps to reduce the negative fund balance.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments

As of June 30, 2016, the District's cash, cash equivalents and investments (including fiduciary fund assets) were as follows:

Cash and other deposits	\$ 77,440,912
Investments, primarily pension trust	391,254,292
	<u>\$ 468,695,204</u>

In addition, the District has cash held with agent of \$18,626,480.

Investments:

Authorized investments: The District is authorized by statute to invest public funds not currently needed for operating expenses in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured Iowa depository institutions approved by the Board; prime eligible bankers' acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts. However, the District's investment policy additionally limits investments in commercial paper to obligations at the time of purchase rated within the two highest ratings issued by nationally recognized statistical rating organizations with a maturity less than 270 days, with no more than 5 percent at the time of purchase placed in the second highest classification. The District's investment policy additionally limits investments in prime bankers' acceptances that mature within 270 days and that are eligible for purchase by a federal reserve bank. Investment income interest is spent according to the fund parameters as outlined by the District.

The above description of authorized investments does not apply to the Des Moines Teachers' Retirement System (DMTRS) Pension Trust Fund, whose investments are governed by the underlying Plan document, or investments donated to the District. The Plan's investment policy authorizes investment in cash, fixed income securities rated AAA to BBB-, investment grade preferred stock, large-, mid-, and small-cap domestic equity securities, international stocks, and domestic real estate. The investment policy also establishes allocation and exposure limitations for each class of investments authorized.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy requires operating funds to be invested in investments that mature within 397 days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within 15 months of receipt.

Deposits: The District's deposits consist of balances held with financial institutions, including nonnegotiable certificates of deposit and money market funds.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12c of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2016, the District's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Des Moines Independent Community School District (without DMTRS)

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Corporate equities - donated	\$ 1,727,579	N/A	N/A	N/A	N/A
Commercial paper	20,989,328	\$ 20,989,328	\$ -	\$ -	\$ -
U.S. Government securities	8,221,196	8,221,196	-	-	-
Fixed income securities	112,945,785	112,945,785	-	-	-
	<u>\$ 143,883,888</u>	<u>\$ 142,156,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Des Moines Teachers' Retirement System (DMTRS)

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Certificates of deposit	\$ 4,659,917	\$ 4,410,360	\$ 249,557	\$ -	\$ -
Money market mutual funds	6,823,107	N/A	N/A	N/A	N/A
U.S. Government securities	4,275,443	1,003,440	404,908	1,241,010	1,626,085
Corporate equities	47,684,908	N/A	N/A	N/A	N/A
Mortgage-backed securities	16,059,952	-	29,515	3,252,883	12,777,554
Corporate obligations	90,435,334	1,003,890	15,115,547	10,233,258	64,082,639
Preferred stock	1,206,000	N/A	N/A	N/A	N/A
Municipal bonds	70,497,779	620,286	2,998,398	19,939,106	46,939,989
Other fixed income	5,727,964	226,429	-	1,019,930	4,481,605
	<u>\$ 247,370,404</u>	<u>\$ 7,264,405</u>	<u>\$ 18,797,925</u>	<u>\$ 35,686,187</u>	<u>\$ 129,907,872</u>

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy does not formally address credit risk. The credit ratings for the District's investments are included on the table below.

Fair value measurements. The District uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Des Moines Independent Community School District (without DMTRS)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	S&P Rating
Corporate equities - donated	\$ 1,727,579	\$ -	\$ -	\$ 1,727,579	Not Rated
Commercial paper	-	20,989,328	-	20,989,328	A-1
U.S. Government securities	-	8,221,196	-	8,221,196	AA+
Fixed income securities	-	112,945,785	-	112,945,785	AA+
	<u>\$ 1,727,579</u>	<u>\$ 142,156,309</u>	<u>\$ -</u>	<u>\$ 143,883,888</u>	

Des Moines Teachers' Retirement System (DMTRS)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	S&P Rating
Money market mutual funds	\$ 6,823,107	\$ -	\$ -	\$ 6,823,107	Not Rated
Certificates of deposit	-	4,659,917	-	4,659,917	Not Rated
U.S. Government securities	1,408,348	2,867,095	-	4,275,443	AA+
Corporate equities	46,682,253	1,002,655	-	47,684,908	Not Rated
Mortgage-backed securities	-	16,059,952	-	16,059,952	Not Rated
Corporate obligations	-	74,996,062	-	74,996,062	A - AAA
Corporate obligations	-	15,439,271	-	15,439,271	BBB
Preferred stock	-	1,206,000	-	1,206,000	Not Rated
Municipal bonds	-	63,066,032	-	63,066,032	AA - AAA
Municipal bonds	-	7,431,748	-	7,431,748	Not Rated
Other fixed income	-	5,727,964	-	5,727,964	A - AA
	<u>\$ 54,913,708</u>	<u>\$ 192,456,696</u>	<u>\$ -</u>	<u>\$ 247,370,404</u>	

Corporate equities and mutual funds: Corporate equities and mutual funds are reported at fair value based on quoted market prices obtained from exchanges.

Commercial paper, corporate obligations, fixed income securities, other fixed income: These investments are reported at fair value based on evaluation using market sources and integrating relative credit information, observed market movements, and sector news into the evaluated pricing applications and models.

U.S. Government securities: U.S. Government securities are reported at fair value based on a bullet (non-call) spread scale for each issuer for maturities going out to forty years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes. An Option Adjusted Spread (OAS) model is incorporated to adjust spreads of issues that have early redemption features. Final spreads are added to a U.S. Treasury curve. A special cash discounting yield/price routine calculates prices from final yields to accommodate odd coupon payment dates typical of medium-term notes.

Certificates of deposit: Certificates of deposit are reported at fair value based on a multi-dimensional relational model and/or Option Adjusted Spread (OAS).

Mortgage-backed securities: Mortgage-backed securities are reported at fair value via model using various inputs such as but not limited to daily cash flow, snapshots of the TBA market and the US Treasury market, floating rate Indices such as LIBOR, CMT, and Prime as a benchmark yield, spread over index, periodic and life caps, next coupon adjustment date, and convertibility of the bond.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Municipal bonds: Municipal bonds are reported at fair value based on trades, bid price or spread, two-sided markets, quotes, benchmark curves including but not limited to treasury benchmarks and LIBOR and swap curves, market data feeds such as MSRB, financial statements, discount rate, capital rates, and trustee reports.

Preferred stock: Preferred stock is reported at fair value by calculating the appropriate spread over a comparable U.S. Treasury security for each issue. These spreads represent the amount of additional yield required to account for the risks inherent with preferred stocks, including credit, refunding and liquidity. Evaluators obtain benchmark quotes on liquid issues, follow both the listed and new issue market, and focus on changing market conditions.

The District has no assets reported at fair value on a nonrecurring basis and no other investments meeting the fair value disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 72.

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet all anticipated cash requirements. The District's policy further restricts investments in prime bankers' acceptances and commercial paper to no more than 10 percent of the investment portfolio for each type of investment, excluding DMTRS investments and no more than 5 percent of the investment portfolio can be invested in the securities of a single issuer.

More than 5 percent of the District's investments are with Federal Home Loan Banks, Fannie Mae, Farm Credit Bank, and Commercial Paper. These investments are approximately 28 percent, 27 percent, 24 percent, and 15 percent, respectively of the District's total investments. The investments in U.S. Government Securities, Corporate Equities and Corporate obligations, are not subject to concentration of credit risk due to either being guaranteed by the U.S. government, considered a pooled investment, or none of the securities underlying the total investment type is more than 5 percent in any one issuer.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Custodial credit risk: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of June 30, 2016, none of the District's investments were insured, but they were all registered in the District's name and held by the counterparty or the counterparty's trust department.

Note 4. Interfund Receivables/Payables and Transfers

Due to and from other funds as of June 30, 2016 are as follows:

	Due To Other Funds	Due From Other Funds
General fund	\$ -	\$ 7,067,451
Internal service funds	7,067,451	-
	<u>\$ 7,067,451</u>	<u>\$ 7,067,451</u>

Interfund balances result from the time lag between the dates that 1) interfund goods or services are provided or reimbursable expenditures occur, 2) transactions are recorded and 3) payments between funds are made.

The \$7,067,451 due to other funds in the internal service funds is attributable to a return of premium. Through analysis performed internally and externally, the Self Insurance Fund was deemed high compared to the forecast for future claims. As a result, the portion of premium charged through the general fund has been reduced to yield a fund balance more in line with the District's actual experiences and forecasted claims. Over the course of time, these items will level-set and return to normalized premium levels between the general fund and self-insurance fund.

The balances are expected to be collected in the subsequent year.

Advances to and from other funds as of June 30, 2016 are as follows:

	Advances To Other Funds	Advances From Other Funds
Nonmajor enterprise funds	\$ -	\$ 4,323
Internal service funds	77,840	73,517
	<u>\$ 77,840</u>	<u>\$ 77,840</u>

Interfund balances result from the time lag between the dates that 1) interfund goods or services are provided or reimbursable expenditures occur, 2) transactions are recorded and 3) payments between funds are made.

The \$4,323 of advances from other funds in the nonmajor enterprise funds is attributable to the Home Construction fund. This advance will be repaid now that the fund is solvent.

The \$73,517 in the Internal Service funds is attributable to the Collage fund. This advance will be repaid once the fund becomes solvent.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 4. Interfund Receivables/Payables and Transfers (Continued)

None of the balances are expected to be collected in the subsequent year.

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

	Transfers In	Transfers Out
Major funds:		
Capital projects fund	\$ -	\$ 18,498,820
Nonmajor governmental funds	18,498,820	-
	<u>\$ 18,498,820</u>	<u>\$ 18,498,820</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 or (2) use unrestricted revenues collected in a certain fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Note 5. Capital Assets

A summary of capital asset activity for the year ended June 30, 2016 is as follows:

Governmental Activities	Beginning Balance	Additions and Transfers In	Deletions and Transfers Out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,113,994	\$ -	\$ -	\$ 4,113,994
Construction-in-progress	27,203,809	33,636,846	38,444,901	22,395,754
Total capital assets, not being depreciated	<u>31,317,803</u>	<u>33,636,846</u>	<u>38,444,901</u>	<u>26,509,748</u>
Capital assets, being depreciated:				
Land improvements	9,859,510	8,800	-	9,868,310
Buildings and improvements	575,477,960	42,671,288	606,354	617,542,894
Vehicles, furniture and equipment	27,997,471	3,056,380	4,389,696	26,664,155
Total capital assets, being depreciated	<u>613,334,941</u>	<u>45,736,468</u>	<u>4,996,050</u>	<u>654,075,359</u>
Less accumulated depreciation for:				
Land improvements	(7,447,262)	(210,259)	-	(7,657,521)
Buildings and improvements	(130,907,970)	(11,044,881)	(395,002)	(141,557,849)
Vehicles, furniture and equipment	(16,342,770)	(1,992,502)	(3,416,975)	(14,918,297)
Total accumulated depreciation	<u>(154,698,002)</u>	<u>(13,247,642)</u>	<u>(3,811,977)</u>	<u>(164,133,667)</u>
Total capital assets, being depreciated, net	<u>458,636,939</u>	<u>32,488,826</u>	<u>1,184,073</u>	<u>489,941,692</u>
Governmental activities capital assets, net	<u>\$ 489,954,742</u>	<u>\$ 66,125,672</u>	<u>\$ 39,628,974</u>	<u>\$ 516,451,440</u>
Business-Type Activities	Beginning Balance	Additions and Transfers In	Deletions and Transfers Out	Ending Balance
Capital assets, not being depreciated, construction-in-progress	\$ 98,173	\$ 24,207	\$ -	\$ 122,380
Capital assets, being depreciated:				
Vehicles, furniture and equipment	6,040,610	563,309	176,299	6,427,620
Less accumulated depreciation	(3,905,123)	(404,119)	(170,843)	(4,138,399)
Total capital assets, being depreciated, net	<u>2,135,487</u>	<u>159,190</u>	<u>5,456</u>	<u>2,289,221</u>
Business-type activities capital assets, net	<u>\$ 2,233,660</u>	<u>\$ 183,397</u>	<u>\$ 5,456</u>	<u>\$ 2,411,601</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 5. Capital Assets (Continued)

Depreciation expense was charged to the District's functions as follows:

Governmental activities:

Instruction	\$ 11,394,498
Noninstructional	575,739
Business and central administration	254,764
Plant operation and maintenance	754,879
Student transportation	257,374
Capital assets held by governments internal service funds are charged to the various functions based on their usage of the assets	10,388
Total	<u>\$ 13,247,642</u>

Business-type activities, school nutrition	<u>\$ 404,119</u>
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Note 6. Long-Term Liabilities and Bonds Payable

The following is a summary of changes in bonded and other long-term liabilities for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Sales tax revenue bonds	\$ 186,140,000	\$ -	\$ 10,355,000	\$ 175,785,000	\$ 10,705,000
Bond premiums	10,644,178	-	1,347,639	9,296,539	-
Retrospective insurance rating plan	215,324	148,745	126,204	237,865	-
Special termination benefits	14,963,811	3,257,718	4,976,257	13,245,272	4,710,811
Compensated absences	4,546,970	3,148,100	4,142,518	3,552,552	3,160,389
Other postemployment benefits	22,850,666	6,308,000	1,927,000	27,231,666	-
Net pension liability	116,216,610	31,357,026	-	147,573,636	-
Polution remediation	42,800	-	42,800	-	-
Long-term liabilities	<u>\$ 355,620,359</u>	<u>\$ 44,219,589</u>	<u>\$ 22,917,418</u>	<u>\$ 376,922,530</u>	<u>\$ 18,576,200</u>
Business-type activities:					
Compensated absences	\$ 270,549	\$ 277,194	\$ 279,006	\$ 268,737	\$ 259,110
Net pension liability	4,796,348	1,235,247	-	6,031,595	-
Long-term liabilities	<u>\$ 5,066,897</u>	<u>\$ 1,512,441</u>	<u>\$ 279,006</u>	<u>\$ 6,300,332</u>	<u>\$ 259,110</u>

Compensated absences are generally liquidated by the General Fund and the retrospective insurance rating plan liability is liquidated by the Management Fund, a nonmajor governmental fund. Net pension liabilities will generally be liquidated by the General Fund, School Nutrition and Child Care Funds.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities and Bonds Payable (Continued)

The District has pledged future statewide penny school infrastructure, services and use tax revenues to repay the \$70,000,000 of bonds issued March 2010 with interest rates ranging from 2 percent to 5 percent, \$71,900,000 of bonds issued May 2012 with an interest rate of 4 percent, \$8,780,000 of bonds issued December 2013 with interest rates ranging from 3 percent to 5 percent and \$61,940,000 of bonds issued May 2014 with interest rates ranging from 3 percent to 5 percent. The bonds were issued for the purpose of financing costs of school infrastructure improvement projects. The bonds are payable solely from the proceeds of the statewide penny school infrastructure, services and use tax revenue received by the District and are payable through 2029. The bonds are not a general obligation of the District; however, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds were expected to require less than 50 percent of the statewide penny school infrastructure, services and use tax revenues. For the current year, principal and interest paid and total statewide penny school infrastructure, services and use tax revenue were \$18,498,820 and \$30,928,661, respectively.

Annual debt service requirements to maturity as of June 30, 2016 for the outstanding sales tax revenue bonds are summarized as follows:

Year Ending June 30:	Governmental Activities		
	Principal	Interest	Total
2017	\$ 10,705,000	\$ 7,670,170	\$ 18,375,170
2018	11,075,000	7,175,970	18,250,970
2019	11,480,000	6,664,470	18,144,470
2020	11,905,000	6,138,970	18,043,970
2021	12,250,000	5,583,620	17,833,620
2022 - 2026	69,170,000	19,246,695	88,416,695
2027 - 2029	49,200,000	4,285,800	53,485,800
	<u>\$ 175,785,000</u>	<u>\$ 56,765,695</u>	<u>\$ 232,550,695</u>

As of June 30, 2016, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	<u>\$ 11,346,962,433</u>
Debt limit of 5% of total assessed valuation	\$ 567,348,122
Amount of debt applicable to debt limit, total general obligation bonded debt	<u>175,785,000</u>
Excess of debt limit over bonded debt issued, legal debt margin	<u>\$ 391,563,122</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 6. Long-Term Liabilities and Bonds Payable (Continued)

Special termination benefits: The District offered a special termination benefit to certified teachers and administrators. To be eligible to participate in this Plan, an employee must (1) have attained age 55; (2) have at least 10 consecutive contract years of employment with the District; (3) have worked a minimum of 100 days during the contract year in which he or she elects to participate in this Plan; (4) have not received an official notice of lay off or termination; (5) not be subject to termination pursuant to Iowa Code Section 279.15 or Section 279.27, whether such termination occurs before or after the acceptance of his or her application and (6) otherwise meet the requirements of this Plan. The special termination benefit allows an eligible employee to (1) if at the time of retirement has health insurance, to use the value of their accumulated sick leave benefit and annual special leave to pay for health insurance until they reach the age of 65 and opt for Medicare benefits, with any remaining funds at that time paid out in a single lump sum payment, or (2) if at the time of retirement has no health insurance, or already reached the age of 65, to pay out the value of their accumulated sick leave benefit and annual special leave over five equal annual payments into a tax sheltered annuity of their choice. As of June 30, 2016, the District has \$2,854,314 accrued in the Management Fund relating to employees over age 65 as they are considered due and expected to be liquidated with expendable available financial resources, plus an additional amount not considered due of \$10,390,958 recorded only in the government-wide financial statements. The current year amount paid by the District was \$4,976,257 which consisted of 61 participants in the plan. The special termination benefits are generally liquidated by the Management Fund.

Note 7. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

As of June 30, 2016, the District was involved in construction projects with an estimated cost to complete the construction projects of \$10,117,306.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 8. Risk Management

The District has chosen to establish a risk financing fund for risks associated with the self-insurance plan for medical, dental and vision benefits. The risk financing fund is accounted for as an internal service fund where assets are set aside for claim settlements. The total charge allocated to each of the funds (based upon the percentage of each fund's current year payroll of the District) is calculated using trends in actual claims experience. Losses on medical claims are limited through the purchase of stop-loss insurance to \$75,000 per accident or disease, and 120 percent of actuarially projected claims for the District in total.

The claims liability of \$4,734,353 in the Self Insurance fund is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information indicates that it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR) which represent estimates of the eventual loss on claims arising prior to year-end. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Year Ended June 30,	
	2016	2015
Unpaid claims, beginning of year	\$ 4,490,905	\$ 3,284,717
Current year claims and changes in estimates	62,168,336	57,560,699
Claim payments	(61,924,888)	(56,354,511)
Unpaid claims, end of year	<u>\$ 4,734,353</u>	<u>\$ 4,490,905</u>

As of June 30, 2016, the unpaid claims payable of \$4,734,353 is net of \$935,432 of reimbursement receivable that the District expects to receive as it has exceeded its individual stop-loss amount. A total of \$935,452 reinsurance revenue to be received is netted against claims expense of \$69,235,787.

The District self insures its workers' compensation exposures. As of June 30, 2016, the amount of liabilities recorded for estimated claims payable for workers' compensation was \$3,193,733 of which \$415,976 was recorded in the Management Fund in accounts payable, a nonmajor governmental fund, as that portion of the liability has matured, and an additional \$2,777,397 was recorded in the government-wide statements. Losses on workers' compensation claims are limited through the purchase of stop-loss insurance to \$500,000 per occurrence. Liabilities are reported in the financial statements in accounts payable. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Year Ended June 30,	
	2016	2015
Unpaid claims, beginning of year	\$ 2,882,624	\$ 2,134,824
Current year claims and changes in estimates	4,138,067	3,078,744
Claim payments	(3,826,958)	(2,330,944)
Unpaid claims, end of year	<u>\$ 3,193,733</u>	<u>\$ 2,882,624</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 8. Risk Management (Continued)

The District's general liability and automobile liability policies are written under a retrospective rating plan where final premium costs are within a specified minimum and maximum premium. For the policy year ended June 30, 2016, various liability claims remain unsettled; therefore, the District has accrued a liability for the maximum potential additional premium that could be payable under the retrospective rating plan of \$237,866. The liability is recorded in the Government-wide financial statements.

The District continues to carry commercial insurance for all other risks of loss. The District has a \$100,000 deductible on property insurance. Settled claims from these risks have not exceeded the planned coverage during any of the past three years.

Note 9. Retirement Systems

Iowa Public Employees' Retirement System:

Plan description: IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension benefits: A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Disability and death benefits: A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions: Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2016, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2016 were \$20,673,335.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2016, the District reported a liability of \$153,605,231 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2015, the District's collective proportion was 3.089750 percent, which was an increase of 0.099624 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized an overall reduction of pension expense of \$5,602,532 and reported deferred outflows of resources and deferred inflows of resources related to the IPERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,320,781	\$ -
Changes of assumptions	4,229,139	-
Net difference between projected and actual earnings on pension plan investments	22,982,385	35,766,366
Changes in proportion and differences between District contributions and proportionate share of contributions	7,939,094	-
Total deferred amounts to be recognized in pension expense in future periods	37,471,399	35,766,366
District contributions subsequent to the measurement date	20,673,335	-
Total deferred amounts related to pensions	<u>\$ 58,144,734</u>	<u>\$ 35,766,366</u>

\$20,673,335 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Deferred outflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period, which was 5.26 years and 5.29 years as of June 30, 2015 and 2014, respectively. The deferred inflows relates to the difference between expected and actual investment earnings is being amortized over a closed 5-year period as of the beginning of each measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2017	\$ 9,767,015	\$ (11,922,122)	\$ (2,155,107)
2018	9,767,015	(11,922,122)	(2,155,107)
2019	9,767,015	(11,922,122)	(2,155,107)
2020	7,826,777	-	7,826,777
2021	343,577	-	343,577
	<u>\$ 37,471,399</u>	<u>\$ (35,766,366)</u>	<u>\$ 1,705,033</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

There were no non-employer contributing entities at IPERS.

Actuarial assumptions: The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	4.00 to 17.00 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
U.S. equity	24%	6.29%
Non U.S. equity	16	6.75
Private equity	11	11.32
Real estate	8	3.48
Core plus fixed income	28	2.04
Credit opportunities	5	3.63
TIPS	5	1.91
Other real assets	2	6.24
Cash	1	(0.71)
	<u>100%</u>	

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 268,935,125	\$ 153,605,231	\$ 56,258,526

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the pension plan: At June 30, 2016, the District reported payables to the defined benefit pension plan of \$1,757,152 for legally required employer contributions and \$1,170,779 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Des Moines Teachers' Retirement System:

Plan description: The Des Moines Teachers' Retirement System (DMTRS) Plan and Trust is a single employer pension plan administered by Bankers Trust Capital Management with Wells Fargo Bank, N.A. as custodian of the Plan. The Plan was established in 1953 to offer employees of the school district a choice in planning for their retirement and is a uniquely designed hybrid pension plan as it contains features of both a traditional defined benefit plan, which is very common in the public sector, and a defined contribution plan. The Plan is considered a hybrid plan because investment risk is borne by the participant in the form of a variable account balance, implying a defined contribution plan, however, mortality risk is maintained by the District, which is a defined benefit plan feature. Due to this hybrid feature, the benefit terms cannot be modified.

The District's board of directors is also the Plan's board and constitutes the trustees. The Plan does not issue a stand-alone financial report.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Basis of accounting: The DMTRS financial statements are prepared on the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. The District's contributions are recognized when due and a formal commitment to provide the contributions is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Administrative costs of DMTRS are financed through investment earnings.

Employees of the District who are teachers as defined under the Plan are eligible to participate in the Plan. Each teacher may choose to participate in either the Plan or in the Iowa Public Employees Retirement System. The election is made within 30 days of hire. If no election is made, the default is to participate in IPERS. The membership data at June 30, 2016 included:

Active members	316
Retirees and beneficiaries currently receiving benefits	905
Inactive members entitled to but not yet receiving benefits	156
	<u>1,377</u>

Plan benefits and death benefits: Upon retirement on or after age 55, the account balance is converted to one of various available forms of monthly benefits payable to the participant, and if elected, a continuing benefit to a surviving spouse.

Contributions: Participants electing to participate in the Plan will have contributions deducted on a pre-tax basis. The contribution will be based on the participant's age at hire and will remain constant for that participant thereafter. The older the participant, the higher the contribution. The Plan's contribution rates range from 6.31 percent to 9.14 percent, dependent on the entry age of the participant. The contribution rates have increased between 30 percent to 45 percent from 2007 to 2015.

An "Employer Matching Contribution" ranging from 7.83 percent to 11.00 percent (120 percent to 124 percent of the employee contribution) will also be made. Both employee and employer contributions are credited to an employee's account balance. The account balance is also credited with plan investment earning allocations.

Investments: The board of directors established an investment policy guiding the allocation of invested assets. This policy may be amended by the board of directors. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. See additional information about the DMTRS investments in Note 3.

The pension plan shall diversify the investments so as to minimize the risk of large losses unless under the circumstances, it is clearly prudent not to do so.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Asset Class	Asset Allocation	Long-Term Expected Rate of Return
Certificates of deposit	1.9%	0.5%
Money market mutual funds	2.7	0.5
U.S. Government securities	1.7	1.2
Corporate equities	19.2	5.9
Mortgage-backed securities	6.5	2.2
Corporate obligations	36.8	3.2
Preferred stock	0.5	4.1
Municipal bonds	28.4	3.6
Other fixed income	2.3	2.5
	<u>100.0%</u>	

There are no investments in any one organization representing more than 5 percent or more of DMTRS' net position. There are no investments in, loans to, or leases with related parties.

Rate of return: For the year ended June 30, 2016, the annual weighted rate of return on pension plan investments, net of pension plan investment expense was 6.6 percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension (asset): The total pension liability was determined using an actuarial valuation date of June 30, 2015 rolled forward from the valuation date to the plan's year-end of June 30, 2016 using generally accepted actuarial principals and methods.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

A schedule of the District's changes in its net pension asset for DMTRS for the year ended June 30, 2016 is as follows:

Total pension liability	
Service cost	\$ 3,406,928
Interest	13,296,891
Differences between expected and actual experience	4,733,074
Benefit payments, including refunds of member contributions	<u>(16,089,811)</u>
Net change in total pension liability	5,347,082
Total pension liability - beginning	<u>233,862,493</u>
Total pension liability - ending (a)	<u><u>\$ 239,209,575</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 1,880,180
Contributions - members	1,526,748
Net investment income	15,786,080
Benefit payments, including refunds of member contributions	(16,089,811)
Administrative expense	<u>(92,792)</u>
Net change in plan fiduciary net position	3,010,405
Plan fiduciary net position - beginning	<u>246,742,016</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 249,752,421</u></u>
Net pension (asset) - ending (a) - (b)	<u><u>\$ (10,542,846)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	104.4%

Actuarial assumptions: The total pension liability in the June 30, 2015 actuarial valuation was determined using a 4.75 percent investment rate of return with mortality rates based on the RP-2014 Mortality Table for Males or Females, as appropriate, with adjustments for MP-2015 projections. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Discount rate: The discount rate used to measure the total pension liability was 4.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Sensitivity of the District's net pension (asset) to changes in the discount rate: The following presents the District's net pension (asset) calculated using the discount rate of 4.75 percent, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.75 percent) or 1-percentage-point higher (5.75 percent) than the current rate.

	1% Decrease (3.75%)	Discount Rate (4.75%)	1% Increase (5.75%)
District's net pension liability (asset) as of June 30, 2015	\$ 3,680,889	\$ (10,542,846)	\$ (22,648,004)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2016, the District recognized an overall reduction of pension expense of \$373,239. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to the DMTRS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,610,659	\$ 1,372,673
Changes of assumptions	7,334,150	-
Net difference between projected and actual earnings on pension plan investments	1,952,199	7,521,145
Total deferred amounts related to pensions	<u>\$ 13,897,008</u>	<u>\$ 8,893,818</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Continued)

Deferred outflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period, which was 7 years as of both June 30, 2016 and 2015. The deferred inflows related to the difference between expected and actual investment earnings is being amortized over a closed 5-year period as of the beginning of each measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Year Ended June 30:			
2017	\$ 4,211,243	\$ (3,327,928)	\$ 883,315
2018	2,911,882	(3,197,334)	(285,452)
2019	2,911,882	(1,184,279)	1,727,603
2020	2,509,692	(1,184,277)	1,325,415
2021	676,153	-	676,153
Thereafter	676,156	-	676,156
	<u>\$ 13,897,008</u>	<u>\$ (8,893,818)</u>	<u>\$ 5,003,190</u>

Aggregate pension related amounts for all plans are as follows:

	IPERS	DMTRS	Net
Net pension liability	\$ 153,605,231	\$ -	\$ 153,605,231
Net pension asset	-	10,542,846	10,542,846
Deferred outflows of resources, pension related amounts	58,144,734	13,897,008	72,041,742
Deferred inflows of resources, pension related amounts	35,766,366	8,893,818	44,660,184
Pension expense	(5,602,532)	(373,239)	(5,975,771)
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Year Ended June 30:			
2017	\$ 13,978,258	\$ (15,250,050)	\$ (1,271,792)
2018	12,678,897	(15,119,456)	(2,440,559)
2019	12,678,897	(13,106,401)	(427,504)
2020	10,336,469	(1,184,277)	9,152,192
2021	1,019,730	-	1,019,730
Thereafter	676,156	-	676,156
	<u>51,368,407</u>	<u>(44,660,184)</u>	<u>6,708,223</u>
Deferred outflows of resources, pension related amounts - District contributions to IPERS subsequent to the measurement date	20,673,335	-	-
	<u>\$ 72,041,742</u>	<u>\$ (44,660,184)</u>	<u>\$ 6,708,223</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 10. Other Postemployment Benefits

Plan description: The District sponsors a single-employer health care plan that provides three self-funded medical plans including prescription drug benefits to all active and retired employees and their eligible dependents. Retiree coverage begins for employees who have attained age 55 prior to the beginning of the subsequent contract year and have at least 10 consecutive contract years of employment and continues until the retiree is Medicare eligible at age 65. The plan is administered by the District and the District has the authority to establish or amend the plan provisions or contribution requirements within the sections of the Code. The plan does not issue a stand-alone financial report.

Funding policy: The current funding policy of the District is to pay health claims as they occur through internal allocated funds. For employees who retired on or before June 30, 2002, the District provides a 100 percent subsidy to the full cost of coverage for both retiree and dependent coverage. For employees who retire on or after June 30, 2002, Des Moines School District provides no subsidy. The health insurance plan contributions on behalf of employees are established and amended through negotiation by management and the union and governed by the District's union contracts.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2016, the District contributed \$1,927,000. Retiree and active members receiving benefits contributed through their required monthly contributions of:

Rate Tier	Fiscal Year	Fiscal Year
	2016 Alliance Select	2016 Blue Access
Employee	\$ 535.62	\$ 535.55
Employee + One	1,021.43	1,021.29
Family	1,628.28	1,628.07

Annual OPEB cost and net OPEB obligation: The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The net OPEB obligation would be resolved by the fund which incurred the compensation and then the general fund once the fund is exhausted. The following table shows the components of the District's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the District's annual OPEB obligation:

Annual required contribution	\$ 6,183,000
Interest on net OPEB obligation	914,000
Adjustment to annual required contribution	(789,000)
Annual OPEB cost	6,308,000
Contributions and payments made	1,927,000
Increase in net OPEB obligation	4,381,000
Net OPEB obligation - July 1, 2015	22,850,666
Net OPEB obligation - June 30, 2016	\$ 27,231,666

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 10. Other Postemployment Benefits (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2016 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 5,291,000	21.79%	\$ 18,103,666
June 30, 2015	6,118,000	22.41	22,850,666
June 30, 2016	6,308,000	30.55	27,231,666

Funded status and funding progress: Postemployment Benefit Obligations under GASB Statement No. 45 calculated as of July 1, 2014, the most recent valuation date is as follows:

	Total	Members
Actuarial Accrued Liability:		
Current retirees, beneficiaries and dependents	\$ 5,406,000	164
Current active members	38,877,000	4,684
Total Actuarial Accrued Liability (AAL)	44,283,000	4,848
Actuarial value of OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	\$ 44,283,000	

The covered payroll (annual payroll of active employees covered by the plan) was \$255,800,084 and the ratio of the UAAL to the covered payroll was 17.31 percent. The actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) is zero.

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. Amounts determined regarding the funded status of the plan and annual required contributions of the employer 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 following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions: Projections and benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in 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.

In the July 1, 2014 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.0 percent annual discount rate, an inflation rate of 3.0 percent, an annual health care cost trend rate of 8.0 percent in the year July 1, 2014 to June 30, 2015 grading down by 0.5 percent each year until an ultimate health care cost trend rate of 4.5 percent is reached. All rates include a 2.0 percent salary increase assumption. The District's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2014, was 30 years.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 11. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the District's fund balance as of June 30, 2016 are as follows:

Fund Balances:	General	Capital Projects	Nonmajor Governmental	Total
Nonspendable:				
Inventories	\$ 531,517	\$ -	\$ -	\$ 531,517
Prepays	1,491,429	-	3,472	1,494,901
Permanent Trust	-	-	9,878	9,878
Total Nonspendable	2,022,946	-	13,350	2,036,296
Restricted:				
Student activities	-	-	1,656,781	1,656,781
Management levy purposes	-	-	4,785,177	4,785,177
Physical Plant and Equipment	-	-	6,858,737	6,858,737
Public Education and Recreation	-	-	261,043	261,043
DMPS Expendable Trust	-	-	3,456,826	3,456,826
Capital Projects	-	76,999,588	-	76,999,588
Permanent Trust	-	-	1,705	1,705
Categorical Funding	10,533,159	-	-	10,533,159
Shared Programs	635,187	-	-	635,187
Special Education	4,095,912	-	-	4,095,912
Medicaid	22,761	-	-	22,761
Grants	4,162,005	-	-	4,162,005
Total Restricted	19,449,024	76,999,588	17,020,269	113,468,881
Committed:				
Common Core Projects	5,000,000	-	-	5,000,000
Technology	6,500,000	-	-	6,500,000
Total Committed	11,500,000	-	-	11,500,000
Assigned:				
Technology	1,141,405	-	-	1,141,405
Parent Pay Reserve	1,128,866	-	-	1,128,866
Total Assigned	2,270,271	-	-	2,270,271
Unassigned				
	45,777,595	-	-	45,777,595
Total fund balances	\$ 81,019,836	\$ 76,999,588	\$ 17,033,619	\$ 175,053,043

Nonspendable:

Inventories: These dollars have been committed and spent on inventories that have yet to be consumed.

Prepaid expenses: These dollars have been spent on expenditures that relate to subsequent fiscal years.

Permanent trust: The principal of the District's permanent fund is legally or contractually required to be maintained intact.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 11. Fund Balances (Continued)

Restricted:

The following list of funds are restricted per Department of Ed policy or explicitly stated in Iowa code. Please refer to Note 1 on page 31 to reference each fund and a description of its restricted purpose:

- Student Activities
- Management Levy Purposes
- Physical Plant and Equipment (PPEL)
- Public Education and Recreation (PERL)
- DMPS Expendable Trust
- Capital Projects
- Permanent Trust

Categorical funding: These are funds that Des Moines Public Schools has received from State and Federal sources. These dollars have to be spent in accordance with the guidelines defined by each of these categories. These programs include:

- 4-Year Old Preschool
- Early Childhood
- English Language Learners (Students that English is not their first language)
- Nonpublic Textbooks
- Professional Development
- Professional Development specifically for the Common Core implementation
- Success Early Readers
- Gifted & Talented
- Teacher Leadership/Teacher Mentoring
- Medicaid Reimbursement
- Special Education Reserve to be utilized for special education related expenditures

Grants: These are funds that have been granted to Des Moines Public Schools from Federal, State or Local sources. These funds can only be spent as defined by the grant.

Shared Programs Reserve: These funds have been set aside to allow students to take classes outside of their core classes. These courses allow students to take college level courses and Career courses that will help transfer these credits to a college after graduation.

Committed:

Curriculum: These funds have been set aside to help Des Moines Public Schools continue to develop Common Core Strategies across the district now and in future years. This initiative will require significant resources and manpower to help the District move forward to this goal.

Curriculum Technology: These funds have been set aside for Curriculum Technology as we move toward the Common Core Strategies and continue to move Des Moines Public Schools into the future state of learning in the 21st Century.

Assigned:

Technology: These are funds that have been set aside to make sure that Des Moines Public Schools can maintain and improve its current technology infrastructure. This enables the students and employees to have access to the technology needs for the present and the future.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 11. Fund Balances (Continued)

Technology Reserve: These funds have been set aside as part of a Microsoft Settlement and a grant received by Prairie Meadows. These funds must be spent as these two items stipulate towards technology.

Parent Pay Reserve: The District has several pre-school programs serving more than 1,900 students, including multiple funding sources. In most cases, half of the school day is covered through the state-funded Universal Preschool Program. The remaining portion of the day is often covered by fees charged to parents (referred to as parent pay revenue). As a result, the District assigned the remaining funds in the parent pay account to be utilized for future pre-school needs.

Note 12. Subsequent Event

On July 22, 2016, the District issued School Infrastructure Sales, Service and Use Tax Revenue Refunding Bonds, Series 2016 totaling \$53,655,000. The bonds were issued to advance refund the School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2010. The unpaid principal balance of Series 2010 as of June 30, 2016 was \$54,435,000.

Note 13. Pending Governmental Accounting Standards Board (GASB) Pronouncements

The GASB has issued several statements not yet implemented by the District. The Statements which might impact the District are as follows:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the District beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.
- GASB Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, will be effective for the District beginning with its fiscal year ending June 30, 2017. This statement requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The disclosures about the government's own tax abatement agreements includes the purpose of the tax abatement program, the tax being abated, the amount of tax being abated, the provisions of recapturing abated taxes, the types of commitments made by tax abatement recipients, and other commitments made by government in tax abatement agreements. The disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues includes the name of the government entering into the abatement agreement, the tax being abated, and the amount of the reporting government's tax being abated.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 13. Pending Governmental Accounting Standards Board (GASB) Pronouncements (Continued)

- GASB Statement No. 82, *Pension Issues*, issued April 2016, will be effective for the District beginning with its fiscal year ending June 30, 2017. Statement No. 82 is designed to improve consistency in the application of the pension standards by clarifying or amending related areas of existing guidance with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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

Des Moines Independent Community School District

**Required Supplementary Information
Retiree Health Benefit Plan**

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2014	July 1, 2012	-	\$ 34,211,000	\$ 34,211,000	-	\$ 228,885,994	14.95%
2015	July 1, 2014	-	44,283,000	44,283,000	-	241,701,220	18.32
2016	July 1, 2014	-	44,283,000	44,283,000	-	255,800,084	17.31

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2014. Additional information follows:

- a. The actuarial method used to determine the ARC is the projected unit credit method.
- b. There are no plan assets.
- c. The actuarial assumptions included: (a) 4.0 percent annual discount rate, b) 3.0 percent inflation rate, c) A health care cost trend rate for medical & RX/Stop loss fees of 8.0 percent on a select basis and 4.5 percent on an ultimate basis. Select trends are reduced 0.5 percent each year until reaching the ultimate trend. d) a health care cost trend rate for administrative fees of 4.5 percent on a select and ultimate basis.
- d. The amortization method is level of percentage of projected payroll on an open basis.

Des Moines Independent Community School District

**Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System**

	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	3.089750%	2.990126%
District's proportionate share of the net pension liability	\$ 153,605,231	\$ 121,012,958
District's covered-employee payroll	\$ 213,014,784	\$ 199,662,244
District's proportionate share of the net pension liability as a percentage of its covered payroll	72.11%	60.61%
Plan fiduciary net position as a percentage of the total pension liability	85.19%	87.61%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Des Moines Independent Community School District

**Required Supplementary Information
Schedule of the District's Contributions
Iowa Public Employees' Retirement System**

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 20,391,133	\$ 20,391,133	-	\$ 228,344,150	8.93%
2015	19,022,220	19,022,220	-	213,014,784	8.93
2014	17,947,600	17,947,600	-	199,662,244	8.99
2013	16,364,515	16,364,515	-	N/A	N/A
2012	14,947,018	14,947,018	-	N/A	N/A
2011	12,599,247	12,599,247	-	N/A	N/A
2010	12,066,415	12,066,415	-	N/A	N/A
2009	11,531,747	11,531,747	-	N/A	N/A
2008	10,259,449	10,259,449	-	N/A	N/A
2007	9,029,636	9,029,636	-	N/A	N/A

N/A - information is not available for this fiscal year.

Des Moines Independent Community School District

**Note to Required Supplementary Information
Iowa Public Employees' Retirement System**

The information presented in the required supplementary schedule was determined as part of the June 30, 2015 and 2014 actuarial valuations.

Actuarial valuation:

Frequency	Annual
Cost method	Entry age normal

Amortization	The amortization method uses a level percentage of payroll over a closed 30-year period.
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Assumptions:

Long-term rate of return	7.5% per year
Salary increases	4% per year
Inflation rate	3.0% per year
Retirement age	Normal retirement age begins at 55. 65th birthday or age 62 with 20 years of service or rule of 88, with a minimum age of 55.

Mortality	RP-2000 General Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups.
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Des Moines Independent Community School District

**Required Supplementary Information
Schedule of Changes in Net Pension (Asset)
Des Moines Teachers' Retirement System**

	2016	2015
Total Pension Liability		
Interest	\$ 13,296,891	\$ 11,540,872
Service cost	3,406,928	3,540,132
Benefit payments	(16,089,811)	(15,741,167)
Difference between expected and actual experience	4,733,074	-
Changes in assumptions	-	-
Unadjusted difference to statement of net position	-	(2,395,304)
Net change in total pension liability	<u>5,347,082</u>	<u>(3,055,467)</u>
Total pension liability - beginning of year	<u>233,862,493</u>	<u>236,917,960</u>
Total pension liability - end of year	<u><u>\$ 239,209,575</u></u>	<u><u>\$ 233,862,493</u></u>
Plan Net Position		
Contributions - employer	\$ 1,880,180	\$ 1,940,452
Contributions - members	1,526,748	1,599,680
Investment income, net of investment expenses	15,786,080	9,342,942
Benefit payments	(16,089,811)	(15,741,167)
Administrative expenses	(92,792)	(197,373)
Net change in plan net position	<u>3,010,405</u>	<u>(3,055,466)</u>
Total plan net position - beginning of year	<u>246,742,016</u>	<u>249,797,482</u>
Total plan net position - end of year	<u><u>\$ 249,752,421</u></u>	<u><u>\$ 246,742,016</u></u>
Net pension (asset)	<u><u>\$ (10,542,846)</u></u>	<u><u>\$ (12,879,523)</u></u>

No information available prior to June 30, 2009.

See note to required supplementary information.

	2014	2013	2012	2011	2010	2009
\$	10,694,208	\$ 11,114,714	\$ 11,108,011	\$ 10,494,061	\$ 10,693,221	\$ 11,442,310
	3,486,593	3,378,539	3,688,025	4,002,473	4,146,141	4,093,191
	(15,527,208)	(14,784,760)	(14,225,762)	(14,507,397)	(13,981,258)	(14,013,785)
	(2,173,638)	548,767	(457,090)	2,229,875	1,438,977	717,089
	12,834,761	-	-	-	-	-
	-	-	-	-	-	-
	9,314,716	257,260	113,184	2,219,012	2,297,081	2,238,805
	227,603,244	227,345,984	227,232,800	225,013,788	222,716,707	220,477,902
\$	236,917,960	\$ 227,603,244	\$ 227,345,984	\$ 227,232,800	\$ 225,013,788	\$ 222,716,707
\$	1,766,655	\$ 1,707,967	\$ 1,990,777	\$ 2,161,435	\$ 2,228,161	\$ 2,188,015
	1,719,938	1,670,572	1,697,248	1,841,038	1,917,980	1,905,176
	20,652,265	5,954,025	25,620,970	18,665,905	25,353,987	4,467,082
	(15,527,208)	(14,784,760)	(14,225,762)	(14,507,397)	(13,981,258)	(14,013,785)
	(201,969)	(307,487)	(281,635)	(258,575)	(251,656)	(238,037)
	8,409,681	(5,759,683)	14,801,598	7,902,406	15,267,214	(5,691,549)
	241,387,802	247,147,485	232,345,887	224,443,481	209,176,267	214,867,816
\$	249,797,483	\$ 241,387,802	\$ 247,147,485	\$ 232,345,887	\$ 224,443,481	\$ 209,176,267
\$	(12,879,523)	\$ (13,784,558)	\$ (19,801,501)	\$ (5,113,087)	\$ 570,307	\$ 13,540,440

Des Moines Independent Community School District

**Required Supplementary Information
Schedule of Net Pension Liability (Asset) and Related Ratios
Des Moines Teachers' Retirement System**

	2016	2015
Total pension liability - end of year	\$ 239,209,575	\$ 233,862,493
Plan net position - end of year	249,752,421	246,742,016
Net pension liability (asset)	\$ (10,542,846)	\$ (12,879,523)
Plan net position as a percentage of the total pension liability	104.4%	105.5%
Covered employee payroll	\$ 19,971,785	\$ 25,125,460
Net pension liability (asset) as a percentage of covered payroll	(52.8)%	(51.2)%

No information available prior to June 30, 2009.

See note to required supplementary information.

2014	2013	2012	2011	2010	2009
\$ 236,917,960	\$ 227,603,244	\$ 227,345,984	\$ 227,232,800	\$ 225,013,788	\$ 222,716,707
249,797,483	241,387,802	247,147,485	232,345,887	224,443,481	209,176,267
\$ (12,879,523)	\$ (13,784,558)	\$ (19,801,501)	\$ (5,113,087)	\$ 570,307	\$ 13,540,440
105.4%	106.1%	108.7%	102.3%	99.7%	93.9%
\$ 26,211,873	\$ 27,639,623	\$ 29,907,522	\$ 32,622,539	\$ 35,954,555	\$ 35,852,865
(49.1)%	(49.9)%	(66.2)%	(15.7)%	1.6%	37.8%

Des Moines Independent Community School District

**Required Supplementary Information
Schedule of Money-Weighted Rate of Return
Des Moines Teachers' Retirement System**

Plan Year Ended June 30:

2009	2.1%
2010	12.4
2011	8.5
2012	11.3
2013	2.5
2014	8.8
2015	3.8
2016	6.6

No information available prior to June 30, 2009.

See note to required supplementary information.

Des Moines Independent Community School District

**Required Supplementary Information
Schedule of Contributions From the District
Des Moines Teachers' Retirement System**

Plan Year Ended June 30	Annual Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a Percent of Covered Payroll
2009	\$ 4,093,191	\$ 4,093,191	\$ -	\$ 35,852,865	11.4%
2010	4,146,141	4,146,141	-	35,954,555	11.5
2011	4,002,473	4,002,473	-	32,622,539	12.3
2012	3,688,025	3,688,025	-	29,907,522	12.3
2013	3,378,539	3,378,539	-	27,639,623	12.2
2014	3,486,593	3,486,593	-	26,211,873	13.3
2015	3,540,132	3,540,132	-	25,125,460	14.1
2016	3,406,928	3,406,928	-	19,971,785	17.1

No information available prior to June 30, 2009.

See note to required supplementary information.

Des Moines Independent Community School District

Note to Required Supplementary Information Des Moines Teachers' Retirement System

The information presented in the required supplementary schedule was determined as part of the June 30, 2015 actuarial valuation.

Actuarial valuation:

Frequency	Annual
Cost method	Not applicable

Amortization The amortization method used is Level Dollar Over a Closed Period.
The weighted average remaining period is 15 years.

Assumptions:

Long-term rate of return	4.75%
Salary increases	Not applicable
Retirement age	Normal retirement age begins at 55.

Mortality RP-2014 Mortability with Scale MP-2015 - Generational Annuitant and
Nonannuitant, male and female.

Disability Not applicable

The information presented in the required supplementary schedule was determined as part of the June 30, 2014 actuarial valuation.

Actuarial valuation:

Frequency	Annual
Cost method	Not applicable

Amortization The amortization method used is Level Dollar Over a Closed Period.
The weighted average remaining period is 15 years.

Assumptions:

Long-term rate of return	4.5% to 5.5%
Salary increases	Not applicable
Retirement age	Normal retirement age begins at 55.

Mortality RP-2014 Mortability with Scale MP-2014 - Generational Annuitant and
Nonannuitant, male and female.

Disability Not applicable

Des Moines Independent Community School District

**Required Supplementary Information - Budgetary Comparison Schedule -
All Governmental Funds, Enterprise Funds and Private Purpose Trust Funds
Year Ended June 30, 2016**

	Actual			
	Governmental Fund Types	Enterprise Funds	Private Purpose Trust Funds	Total
Revenues:				
Local sources	\$ 155,787,365	\$ 6,327,968	\$ 8,627	\$ 162,123,960
Intermediate sources	807,026	-	-	807,026
State sources	283,148,964	168,853	-	283,317,817
Federal sources	31,271,845	18,074,611	-	49,346,456
Total revenues	471,015,200	24,571,432	8,627	495,595,259
Expenditures/Expenses:				
Instruction	269,163,315	1,235	-	269,164,550
Support services	145,580,916	120,681	-	145,701,597
Noninstructional	2,840,290	23,079,287	37,824	25,957,401
Other	78,710,814	-	-	78,710,814
Total expenditures/expenses	496,295,335	23,201,203	37,824	519,534,362
Excess (deficiency) of revenues over expenditures/expenses	(25,280,135)	1,370,229	(29,197)	(23,939,103)
Other financing sources (uses):				
Proceeds from sale of capital assets	92,730	-	-	92,730
Transfers in	18,498,820	-	-	18,498,820
Transfers (out)	(18,498,820)	-	-	(18,498,820)
Net change in fund balances/net position	\$ (25,187,405)	\$ 1,370,229	\$ (29,197)	\$ (23,846,373)

Note: Capital project expenditures have been classified according to function for budgetary comparison purposes.

See note to required supplementary information.

Budget

Original	Final	Final Budget to Actual Variance
\$ 150,318,652	\$ 150,318,652	\$ 11,805,308
545,000	545,000	262,026
282,142,365	282,142,365	1,175,452
51,549,767	51,549,767	(2,203,311)
<u>484,555,784</u>	<u>484,555,784</u>	<u>11,039,475</u>
267,676,460	272,488,162	(3,323,612)
139,840,006	146,467,210	(765,613)
25,958,293	30,155,460	(4,198,059)
80,454,392	85,981,302	(7,270,488)
<u>513,929,151</u>	<u>535,092,134</u>	<u>(15,557,772)</u>
(29,373,367)	(50,536,350)	26,597,247
15,000	15,000	77,730
18,067,757	18,067,757	431,063
<u>(18,067,757)</u>	<u>(18,067,757)</u>	<u>(431,063)</u>
<u>\$ (29,358,367)</u>	<u>\$ (50,521,350)</u>	<u>\$ 26,674,977</u>

Des Moines Independent Community School District

Note to Required Supplementary Information – Budgetary Comparison Schedule

Note 1. Basis of Presentation

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

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

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

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for budgeted governmental, enterprise, and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, noninstructional programs and other expenditures. During the year ended June 30, 2016, the District was below budget in all four functional areas. Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations as adopted and amended lapse at the end of the fiscal year.

During the year, one budget amendment increased budgeted expenditures by \$21,162,983.

The District is required by the Code of Iowa to budget for its share of media, educational services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$13,974,996 for the year ended June 30, 2016.

Des Moines Independent Community School District

**Combining Balance Sheet
All Nonmajor Governmental Funds
June 30, 2016**

	Special Revenue		
	Student Activity	Management	DMPS
Assets			
Cash and investments	\$ 1,856,141	\$ 7,990,815	\$ 1,743,533
Restricted investments	-	-	1,727,579
Property taxes receivable - current year	-	75,693	-
Property taxes receivable - succeeding year	-	8,471,371	-
Other receivables	4,950	-	-
Prepaid items	3,472	-	-
Total assets	\$ 1,864,563	\$ 16,537,879	\$ 3,471,112
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 194,573	\$ 415,976	\$ 14,286
Accrued payroll	4,962	-	-
Special termination benefits	-	2,854,314	-
Other current liabilities	-	-	-
Due to other governments	4,665	11,041	-
Compensated absences	-	-	-
Total liabilities	204,200	3,281,331	14,286
Deferred inflows of resources:			
Succeeding year - property taxes	-	8,471,371	-
Unavailable revenue - intergovernmental	110	-	-
Total deferred inflows of resources	110	8,471,371	-
Fund balances:			
Nonspendable	3,472	-	-
Restricted	1,656,781	4,785,177	3,456,826
Total fund balances	1,660,253	4,785,177	3,456,826
Total liabilities, deferred inflows of resources and fund balances	\$ 1,864,563	\$ 16,537,879	\$ 3,471,112

Capital Projects			
Physical Plant and Equipment Levy	Public Education and Recreation Levy	Permanent	Total Nonmajor Governmental Funds
\$ 8,100,369	\$ 277,773	\$ 11,583	\$ 19,980,214
-	-	-	1,727,579
60,489	8,290	-	144,472
7,187,660	914,908	-	16,573,939
19,702	-	-	24,652
-	-	-	3,472
<u>\$ 15,368,220</u>	<u>\$ 1,200,971</u>	<u>\$ 11,583</u>	<u>\$ 38,454,328</u>
\$ 1,308,734	\$ 6,852	\$ -	\$ 1,940,421
-	7,568	-	12,530
-	-	-	2,854,314
11,990	-	-	11,990
1,099	95	-	16,900
-	6,614	-	6,614
<u>1,321,823</u>	<u>21,129</u>	<u>-</u>	<u>4,842,769</u>
7,187,660	914,908	-	16,573,939
-	3,891	-	4,001
<u>7,187,660</u>	<u>918,799</u>	<u>-</u>	<u>16,577,940</u>
-	-	9,878	13,350
6,858,737	261,043	1,705	17,020,269
<u>6,858,737</u>	<u>261,043</u>	<u>11,583</u>	<u>17,033,619</u>
<u>\$ 15,368,220</u>	<u>\$ 1,200,971</u>	<u>\$ 11,583</u>	<u>\$ 38,454,328</u>

Des Moines Independent Community School District

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Nonmajor Governmental Funds
Year Ended June 30, 2016**

	Special Revenue		
	Student Activity	Management	DMPS
Revenues:			
Property taxes	\$ -	\$ 8,500,957	\$ -
Other local sources	-	-	189,326
Investment earnings (losses)	1,590	-	277,428
Student activities	2,678,215	-	21,047
Total revenues	2,679,805	8,500,957	487,801
Expenditures:			
Current:			
Instruction	2,620,073	4,679,416	87,610
Student services	-	759,478	-
Instructional support services	-	-	26,655
General administration	-	838,243	-
Building administration	-	287,429	-
Business and central administration	-	79,676	-
Plant operation and maintenance	-	2,034,103	739,781
Student transportation	-	1,617,705	-
Noninstructional	-	611,131	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	2,620,073	10,907,181	854,046
Excess (deficiency) of revenues over expenditures	59,732	(2,406,224)	(366,245)
Other financing sources, transfers in	-	-	-
Net change in fund balances	59,732	(2,406,224)	(366,245)
Fund balances, beginning of year	1,600,521	7,191,401	3,823,071
Fund balances, end of year	\$ 1,660,253	\$ 4,785,177	\$ 3,456,826

Debt Service	Capital Projects		Permanent	Total Nonmajor Governmental Funds
	Physical Plant and Equipment Levy	Public Education and Recreation Levy		
\$ -	\$ 7,203,640	\$ 921,927	\$ -	\$ 16,626,524
-	66,371	408,432	-	664,129
-	5,846	-	10	284,874
-	-	23,828	-	2,723,090
-	7,275,857	1,354,187	10	20,298,617
-	90,198	2,798	-	7,480,095
-	-	-	-	759,478
-	-	-	-	26,655
-	-	-	-	838,243
-	-	163,467	-	450,896
-	338,233	49,107	-	467,016
-	2,355,529	-	-	5,129,413
-	791,509	-	-	2,409,214
-	-	864,635	-	1,475,766
-	4,024,335	199,976	-	4,224,311
10,355,000	-	-	-	10,355,000
8,143,820	-	-	-	8,143,820
18,498,820	7,599,804	1,279,983	-	41,759,907
(18,498,820)	(323,947)	74,204	10	(21,461,290)
18,498,820	-	-	-	18,498,820
-	(323,947)	74,204	10	(2,962,470)
-	7,182,684	186,839	11,573	19,996,089
\$ -	\$ 6,858,737	\$ 261,043	\$ 11,583	\$ 17,033,619

Des Moines Independent Community School District

**Combining Statement of Net Position
All Nonmajor Enterprise Funds
June 30, 2016**

	School Nutrition	Child Care	Home Construction
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,539,224	\$ 464,057	\$ -
Other receivables	184,281	344,652	-
Due from other governments	243,000	-	-
Inventories	703,674	-	-
Prepaid expenses	1,245	-	-
Total current assets	3,671,424	808,709	-
Noncurrent assets:			
Capital assets:			
Nondepreciable	-	-	122,380
Depreciable, net	2,279,475	9,746	-
Total noncurrent assets	2,279,475	9,746	122,380
Total assets	5,950,899	818,455	122,380
Deferred Outflow of Resources, pension related amounts	1,662,722	557,405	-
Liabilities			
Current liabilities:			
Accounts payable	338,355	40,028	797
Accrued payroll	102,104	146,085	-
Due to other governments	668	15,313	-
Unearned revenue	271,163	23,827	-
Compensated absences	221,468	37,642	-
Total current liabilities	933,758	262,895	797
Noncurrent liabilities:			
Advances from other funds	-	-	4,323
Compensated absences	5,786	3,841	-
Net pension liability	4,311,733	1,719,862	-
Total noncurrent liabilities	4,317,519	1,723,703	4,323
Total liabilities	5,251,277	1,986,598	5,120
Deferred Inflow of Resources, pension related amounts	1,010,135	425,482	-
Net Position (Deficit)			
Investment in capital assets	2,279,475	9,746	122,380
Unrestricted (deficit)	(927,266)	(1,045,966)	(5,120)
Total net position (deficit)	\$ 1,352,209	\$ (1,036,220)	\$ 117,260

Automotive		Total	
\$	73,837	\$	3,077,118
	-		528,933
	-		243,000
	-		703,674
	-		1,245
	<u>73,837</u>		<u>4,553,970</u>
	-		122,380
	-		<u>2,289,221</u>
	-		<u>2,411,601</u>
	<u>73,837</u>		<u>6,965,571</u>
	-		<u>2,220,127</u>
	875		380,055
	-		248,189
	-		15,981
	-		294,990
	-		<u>259,110</u>
	<u>875</u>		<u>1,198,325</u>
	-		4,323
	-		9,627
	-		<u>6,031,595</u>
	-		<u>6,045,545</u>
	<u>875</u>		<u>7,243,870</u>
	-		<u>1,435,617</u>
	-		2,411,601
	<u>72,962</u>		<u>(1,905,390)</u>
\$	<u>72,962</u>	\$	<u>506,211</u>

Des Moines Independent Community School District

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
All Nonmajor Enterprise Funds
Year Ended June 30, 2016**

	School Nutrition	Child Care	Home Construction
Operating revenues:			
Student activities	\$ -	\$ -	\$ -
Charges for services:			
Sale of food	1,897,269	-	-
Child care	-	4,369,310	-
Miscellaneous	-	-	-
Total operating revenues	1,897,269	4,369,310	-
Operating expenses:			
Student services	18,845,190	-	-
Depreciation	404,119	-	-
Community services	-	3,911,144	525
Total operating expenses	19,249,309	3,911,144	525
Operating income (loss)	(17,352,040)	458,166	(525)
Nonoperating revenues (expenses):			
Other local sources	29,360	-	2,429
State sources	168,853	-	-
Federal sources	18,074,611	-	-
Loss on disposal of capital assets	(8,625)	-	-
Total nonoperating revenues	18,264,199	-	2,429
Income (loss)	912,159	458,166	1,904
Total net position (deficit), beginning of year	440,050	(1,494,386)	115,356
Total net position (deficit), end of year	\$ 1,352,209	\$ (1,036,220)	\$ 117,260

Automotive		Total	
\$	28,206	\$	28,206
	-		1,897,269
	-		4,369,310
	1,394		1,394
	29,600		6,296,179
	31,600		18,876,790
	-		404,119
	-		3,911,669
	31,600		23,192,578
	(2,000)		(16,896,399)
	-		31,789
	-		168,853
	-		18,074,611
	-		(8,625)
	-		18,266,628
	(2,000)		1,370,229
	74,962		(864,018)
\$	72,962	\$	506,211

Des Moines Independent Community School District

**Combining Statement of Cash Flows
All Nonmajor Enterprise Funds
Year Ended June 30, 2016**

	School Nutrition	Child Care	Home Construction
Cash flows from operating activities:			
Cash received from user charges	\$ 1,984,826	\$ 4,351,481	\$ -
Cash payments to employees for services	(8,737,821)	(3,086,996)	-
Cash payments to suppliers for goods and services	(9,197,136)	(609,370)	(3,335)
Net cash provided by (used in) operating activities	(15,950,131)	655,115	(3,335)
Cash flows from noncapital financing activities:			
Payments from other funds	-	-	25,113
Payments to other funds	-	(181,362)	-
Grants and donations received	17,123,297	-	2,429
Net cash provided by (used in) noncapital financing activities	17,123,297	(181,362)	27,542
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(556,732)	(9,746)	(24,207)
Net cash provided by (used in) capital and related financing activities	(556,732)	(9,746)	(24,207)
Net increase in cash and cash equivalents	616,434	464,007	-
Cash and cash equivalents, beginning of year	1,922,790	50	-
Cash and cash equivalents, end of year	\$ 2,539,224	\$ 464,057	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (17,352,040)	\$ 458,166	\$ (525)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	404,119	-	-
Commodities used	1,160,737	-	-
Changes in assets and liabilities:			
Receivables	68,441	(26,328)	-
Inventories	(207,702)	-	-
Prepaid items	(1,245)	-	-
Accounts payable and due to other governments	130,302	19,531	(2,810)
Unearned revenue	19,116	8,499	-
Accrued liabilities and compensated absences	14,212	54,049	-
Net pension liability	906,065	329,182	-
Deferred outflows of resources	(803,447)	(83,101)	-
Deferred inflows of resources	(288,689)	(104,883)	-
Net cash provided by (used in) operating activities	\$ (15,950,131)	\$ 655,115	\$ (3,335)
Noncash items:			
Noncapital financing activities, commodities received from U.S. Department of Agriculture	\$ 1,160,737	\$ -	\$ -

Automotive		Total	
\$	29,600	\$	6,365,907
	-		(11,824,817)
	(32,483)		(9,842,324)
<hr/>		<hr/>	
	(2,883)		(15,301,234)
<hr/>		<hr/>	
	76,720		101,833
	-		(181,362)
	-		17,125,726
<hr/>		<hr/>	
	76,720		17,046,197
<hr/>		<hr/>	
	-		(590,685)
<hr/>		<hr/>	
	-		(590,685)
<hr/>		<hr/>	
	73,837		1,154,278
	-		1,922,840
\$	73,837	\$	3,077,118

\$	(2,000)	\$	(16,896,399)
	-		404,119
	-		1,160,737
	-		42,113
	-		(207,702)
	-		(1,245)
	(883)		146,140
	-		27,615
	-		68,261
	-		1,235,247
	-		(886,548)
	-		(393,572)
<hr/>		<hr/>	
\$	(2,883)	\$	(15,301,234)

\$ - \$ 1,160,737

Des Moines Independent Community School District

Combining Statement of Net Position (Deficit)

All Internal Service Funds

June 30, 2016

	Self-Insurance	Risk Management	Collage	Print Shop	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 26,016,784	\$ 420,341	\$ 150	\$ 37,897	\$ 26,475,172
Inventories	-	-	-	57,811	57,811
Total current assets	26,016,784	420,341	150	95,708	26,532,983
Noncurrent assets:					
Advances to other funds	77,840	-	-	-	77,840
Depreciable capital assets, net	-	-	-	19,167	19,167
Total noncurrent assets	77,840	-	-	19,167	97,007
Total assets	26,094,624	420,341	150	114,875	26,629,990
Liabilities					
Current liabilities:					
Accounts payable	-	92,482	-	25,692	118,174
Claims payable	4,734,353	-	-	-	4,734,353
Accrued payroll	-	138,158	496	5,449	144,103
Due to other governments	259,603	-	-	-	259,603
Unearned revenue	64,193	-	-	27,318	91,511
Compensated absences	-	-	-	3,705	3,705
Due from other funds	7,067,451	-	-	-	7,067,451
Other	-	-	-	150	150
Total current liabilities	12,125,600	230,640	496	62,314	12,419,050
Noncurrent liabilities, advances from other funds	-	-	73,517	-	73,517
Total liabilities	12,125,600	230,640	74,013	62,314	12,492,567
Net Position (Deficit)					
Investment in capital assets	-	-	-	19,167	19,167
Unrestricted	13,969,024	189,701	(73,863)	33,394	14,118,256
Total net position (deficit)	\$ 13,969,024	\$ 189,701	\$ (73,863)	\$ 52,561	\$ 14,137,423

Des Moines Independent Community School District

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
All Internal Service Funds
Year Ended June 30, 2016**

	Self-Insurance	Risk Management	Collage	Print Shop	Total
Operating revenues:					
Charges for services:					
Employee benefits	\$ 55,522,847	\$ 914,364	\$ -	\$ -	\$ 56,437,211
Miscellaneous	-	-	17,571	890,165	907,736
Total operating revenues	55,522,847	914,364	17,571	890,165	57,344,947
Operating expenses:					
Claims and related costs	62,168,335	941,609	-	-	63,109,944
Depreciation	-	-	-	10,388	10,388
Miscellaneous	-	-	17,611	908,803	926,414
Total operating expenses	62,168,335	941,609	17,611	919,191	64,046,746
Operating loss	(6,645,488)	(27,245)	(40)	(29,026)	(6,701,799)
Loss on sale of capital assets	-	-	-	(13,323)	(13,323)
Change in net position (deficit)	(6,645,488)	(27,245)	(40)	(42,349)	(6,715,122)
Total net position (deficit), beginning of year	20,614,512	216,946	(73,823)	94,910	20,852,545
Total net position (deficit), end of year	\$ 13,969,024	\$ 189,701	\$ (73,863)	\$ 52,561	\$ 14,137,423

Des Moines Independent Community School District

**Combining Statement of Cash Flows
All Internal Service Funds
Year Ended June 30, 2016**

	Self-Insurance	Risk Management	Collage	Print Shop	Total
Cash flows from operating activities:					
Cash received from user charges	\$ 55,536,784	\$ 914,364	\$ 17,571	\$ 908,700	\$ 57,377,419
Cash payments to employees for services	-	-	(12,403)	(198,151)	(210,554)
Cash payments to suppliers for goods and services	(62,139,722)	(800,036)	(4,929)	(698,217)	(63,642,904)
Net cash provided by operating activities	(6,602,938)	114,328	239	12,332	(6,476,039)
Cash flows from noncapital financing activities:					
Proceeds from other funds	7,121,654	-	-	25,565	7,147,219
Payments to other funds	-	-	(239)	-	(239)
Net cash provided by (used in) noncapital financing activities	7,121,654	-	(239)	25,565	7,146,980
Net increase in cash and cash equivalents	518,716	114,328	-	37,897	670,941
Cash and cash equivalents, beginning of year	25,498,068	306,013	150	-	25,804,231
Cash and cash equivalents, end of year	<u>\$ 26,016,784</u>	<u>\$ 420,341</u>	<u>\$ 150</u>	<u>\$ 37,897</u>	<u>\$ 26,475,172</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (6,645,488)	\$ (27,245)	\$ (40)	\$ (29,026)	\$ (6,701,799)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	10,388	10,388
Changes in assets and liabilities:					
Inventories	-	-	-	(6,990)	(6,990)
Accounts payable and due to other governments	(214,835)	3,415	(56)	24,508	(186,968)
Claims payable	243,448	-	-	-	243,448
Unearned revenue	13,937	-	-	18,535	32,472
Accrued liabilities	-	138,158	335	(5,083)	133,410
Net cash provided by operating activities	\$ (6,602,938)	\$ 114,328	\$ 239	\$ 12,332	\$ (6,476,039)

Des Moines Independent Community School District

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Faculty and Staff				
Assets				
Cash and cash equivalents	\$ 193,839	\$ 86,561	\$ 116,627	\$ 163,773
Liabilities				
Accounts payable	\$ 38,465	\$ 138,199	\$ 166,707	\$ 9,957
Due to other entities	155,374	86,561	88,119	153,816
Total liabilities	\$ 193,839	\$ 224,760	\$ 254,826	\$ 163,773

Des Moines Independent 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.	93 - 108
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).	109 - 115
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.	116 - 121
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	122 - 123
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	124 - 146

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

Des Moines Independent Community School District

**Net Position By Component
Last Ten Fiscal Years
(Accrual Basis Of Accounting)
(Unaudited)**

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities:				
Net investment in capital assets	\$ 223,847,057	\$ 261,303,316	\$ 295,531,637	\$ 321,900,574
Restricted	35,019,609	28,171,672	27,723,729	26,709,665
Unrestricted	21,372,567	20,680,456	17,189,578	10,363,873
Total governmental activities net position	\$ 280,239,233	\$ 310,155,444	\$ 340,444,944	\$ 358,974,112
Business-type activities:				
Investment in capital assets	\$ 2,320,931	\$ 2,380,907	\$ 2,606,657	\$ 2,411,710
Restricted	-	-	-	-
Unrestricted	(288,605)	(1,843,960)	(2,512,906)	(2,236,234)
Total business-type activities net position	\$ 2,032,326	\$ 536,947	\$ 93,751	\$ 175,476
Primary government:				
Net investment in capital assets	\$ 226,167,988	\$ 263,684,223	\$ 298,138,294	\$ 324,312,284
Restricted	35,019,609	28,171,672	27,723,729	26,709,665
Unrestricted	21,083,962	18,836,496	14,676,672	8,127,639
Total primary government net position	\$ 282,271,559	\$ 310,692,391	\$ 340,538,695	\$ 359,149,588

Source: Comprehensive Annual Financial Report

Note: The District adopted GASB Statement Nos. 68 and 71 in fiscal year 2015. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2015.

							Fiscal Year					
2011		2012		2013		2014		2015		2016		
\$	338,928,488	\$	359,352,093	\$	373,455,547	\$	385,508,379	\$	403,601,966	\$	409,270,357	
	31,199,263		29,005,666		28,273,606		27,692,220		28,487,506		36,241,306	
	14,951,604		35,135,095		50,099,198		55,256,442		(73,620,226)		(77,773,524)	
\$	385,079,355	\$	423,492,854	\$	451,828,351	\$	468,457,041	\$	358,469,246	\$	367,738,139	
\$	2,283,505	\$	1,989,314	\$	2,002,716	\$	2,035,725	\$	2,233,660	\$	2,411,601	
	-		-		-		-		-		-	
	(1,365,198)		(245,440)		321,461		1,614,094		(3,097,678)		(1,905,390)	
\$	918,307	\$	1,743,874	\$	2,324,177	\$	3,649,819	\$	(864,018)	\$	506,211	
\$	341,211,993	\$	361,341,407	\$	375,458,263	\$	387,544,104	\$	405,835,626	\$	411,681,958	
	31,199,263		29,005,666		28,273,606		27,692,220		28,487,506		36,241,306	
	13,586,406		34,889,655		50,420,659		56,870,536		(76,717,904)		(79,678,914)	
\$	385,997,662	\$	425,236,728	\$	454,152,528	\$	472,106,860	\$	357,605,228	\$	368,244,350	

Des Moines Independent Community School District

**Expenses, Program Revenues and Net (Expense) Revenue
Last Ten Fiscal Years**

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Expenses:				
Governmental activities:				
Instructional	\$ 210,863,364	\$ 229,908,604	\$ 238,676,928	\$ 245,423,324
Student services	17,565,934	19,144,119	20,471,493	22,488,603
Instructional support services	7,784,381	8,020,675	8,445,248	8,263,149
General administration	3,862,718	4,806,286	5,282,473	4,442,422
Central support services	-	-	-	-
Building administration	17,965,958	18,205,319	18,902,199	19,797,129
Business administration	-	-	-	-
Business and central administration	9,116,886	9,754,807	8,354,561	7,660,791
Plant operation and maintenance	31,675,467	33,557,855	35,647,890	33,438,106
Student transportation	10,856,840	10,635,752	10,518,100	10,352,087
Noninstructional	1,943,137	1,879,027	2,055,069	3,143,025
AEA support	10,455,648	10,993,407	11,511,318	12,463,876
Interest on long-term debt	894,900	835,766	709,817	897,462
Total governmental activities expenses	322,985,233	347,741,617	360,575,096	368,369,974
Business-type activities:				
School nutrition	13,856,434	14,833,221	14,790,948	14,429,088
Child care	2,530,578	3,479,097	3,468,091	2,947,012
Preschool	2,224,190	-	-	-
Other	112,292	99,935	97,908	138,258
Total business-type activities expenses	18,723,494	18,412,253	18,356,947	17,514,358
Total primary government expenses	\$ 341,708,727	\$ 366,153,870	\$ 378,932,043	\$ 385,884,332
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 12,002,157	\$ 10,969,649	\$ 10,625,291	\$ 9,745,572
Support services	11,332,332	11,417,248	12,351,149	13,282,400
Operating grants and contributions	50,812,813	63,411,312	75,779,208	97,746,607
Capital grants and contributions	3,652,164	700,002	3,436,715	597,248
Total governmental activities program revenues	77,799,466	86,498,211	102,192,363	121,371,827

(Continued)

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 251,762,378	\$ 256,812,271	\$ 258,926,988	\$ 269,507,255	\$ 275,533,672	\$ 285,545,061
20,562,462	20,196,523	20,673,660	21,897,132	23,458,269	23,906,378
11,926,860	11,652,847	12,021,171	13,454,781	15,425,505	23,602,238
4,752,013	4,779,422	5,186,473	6,199,577	7,383,479	8,571,037
-	-	-	-	-	-
17,692,429	18,738,332	18,779,363	19,406,283	21,862,042	23,089,264
-	-	-	-	-	-
7,465,018	11,704,743	9,892,503	14,198,791	17,476,884	17,624,834
32,500,882	32,450,434	34,339,085	39,242,957	39,177,136	39,189,530
10,699,109	10,861,366	11,151,818	13,022,397	12,735,357	12,982,765
6,831,871	4,204,202	2,904,231	2,171,793	3,991,896	7,497,669
12,878,207	11,699,768	12,235,407	13,086,762	13,829,063	13,974,996
3,254,529	3,008,867	7,368,345	6,216,637	7,291,619	6,758,235
380,325,758	386,108,775	393,479,044	418,404,365	438,164,922	462,742,007
13,730,822	14,063,935	15,869,943	16,888,843	18,413,290	19,257,934
3,055,421	3,337,286	3,589,842	3,804,322	3,455,013	3,911,144
-	-	-	-	-	-
127,902	108,656	32,246	47,399	29,958	32,125
16,914,145	17,509,877	19,492,031	20,740,564	21,898,261	23,201,203
\$ 397,239,903	\$ 403,618,652	\$ 412,971,075	\$ 439,144,929	\$ 460,063,183	\$ 485,943,210
\$ 10,548,824	\$ 10,008,887	\$ 9,694,289	\$ 9,796,930	\$ 8,118,482	\$ 10,242,839
13,354,070	12,568,464	13,396,056	14,256,785	14,997,758	14,870,394
90,715,067	88,937,932	76,875,344	73,477,654	81,089,328	89,892,845
89,825	650,000	-	13,668	84,894	101,867
114,707,786	112,165,283	99,965,689	97,545,037	104,290,462	115,107,945

Des Moines Independent Community School District

Expenses, Program Revenues and Net (Expense) Revenue (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Business-type activities:				
Charges for services:				
School nutrition	\$ 3,904,411	\$ 3,845,874	\$ 4,299,682	\$ 3,722,647
Child care	2,555,465	3,172,336	3,221,833	2,695,149
Preschool	1,909,835	-	-	-
Other	78,934	72,913	67,550	104,511
Operating grants and contributions	9,239,846	9,825,079	10,324,686	11,061,636
Capital grants and contributions	-	672	-	-
Total business-type program revenues	17,688,491	16,916,874	17,913,751	17,583,943
Total primary government program revenues	\$ 95,487,957	\$ 103,415,085	\$ 120,106,114	\$ 138,955,770
Net (expense) revenue:				
Governmental activities	\$ (245,185,767)	\$ (261,243,406)	\$ (258,382,733)	\$ (246,998,147)
Business-type activities	(1,035,003)	(1,495,379)	(443,196)	69,585
Total primary government net expense	\$ (246,220,770)	\$ (262,738,785)	\$ (258,825,929)	\$ (246,928,562)

Source: Comprehensive Annual Financial Report

Note: The District adopted GASB Statement Nos. 68 and 71 in fiscal year 2015. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2015.

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 2,945,912	\$ 2,816,185	\$ 2,743,057	\$ 2,753,299	\$ 2,131,101	\$ 1,926,629	
3,053,866	3,451,999	3,465,978	3,799,779	3,904,107	4,369,310	
-	-	-	-	-	-	
96,197	93,344	62,249	53,245	30,043	32,029	
11,561,001	11,973,916	13,801,050	14,772,639	17,127,503	18,243,464	
-	-	-	9,365	-	-	
17,656,976	18,335,444	20,072,334	21,388,327	23,192,754	24,571,432	
\$ 132,364,762	\$ 130,500,727	\$ 120,038,023	\$ 118,933,364	\$ 127,483,216	\$ 139,679,377	
\$ (265,617,972)	\$ (273,943,492)	\$ (293,513,355)	\$ (320,859,328)	\$ (333,874,460)	\$ (347,634,062)	
742,831	(825,567)	580,303	647,763	1,294,493	1,370,229	
\$ (264,875,141)	\$ (274,769,059)	\$ (292,933,052)	\$ (320,211,565)	\$ (332,579,967)	\$ (346,263,833)	

Des Moines Independent Community School District

**General Revenues and Total Change in Net Position
Last Ten Fiscal Years**

(accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Net (expense) revenue:				
Governmental activities	\$ (245,185,767)	\$ (261,243,406)	\$ (258,382,733)	\$ (246,998,147)
Business-type activities	(1,035,003)	(1,495,379)	(443,196)	69,585
Total primary government net expense	(246,220,770)	(262,738,785)	(258,825,929)	(246,928,562)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes:				
Levied for general purposes	85,406,700	86,343,532	89,272,177	90,708,731
Levied for management	8,641,311	8,781,855	9,168,606	9,406,937
Levied for property, plant, and equipment	5,921,615	6,007,979	6,313,191	6,522,074
Levied for playground	755,290	762,490	796,190	816,470
Sales tax, for capital projects	30,872,838	31,143,691	28,221,919	28,617,206
State foundation aid	146,594,229	152,188,242	151,858,708	127,914,804
Investment earnings	5,284,862	2,966,414	623,796	189,740
Other local sources	1,230,586	1,587,590	1,115,926	999,696
State sources	1,425,636	1,357,067	1,301,720	8,999
Transfers	-	-	-	(12,140)
Gain on sale of assets	-	20,757	-	354,798
Total governmental activities	286,133,067	291,159,617	288,672,233	265,527,315
Business-type activities:				
Transfers	-	-	-	12,140
Total business-type activities	-	-	-	12,140
Total primary government	286,133,067	291,159,617	288,672,233	265,539,455
Change in net position:				
Governmental activities	40,947,300	29,916,211	30,289,500	18,529,168
Business-type activities	(1,035,003)	(1,495,379)	(443,196)	81,725
Total primary government	\$ 39,912,297	\$ 28,420,832	\$ 29,846,304	\$ 18,610,893

Source: Comprehensive Annual Financial Report

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ (265,617,972)	\$ (273,943,492)	\$ (293,513,355)	\$ (320,859,328)	\$ (333,874,460)	\$ (347,634,062)
742,831	(825,567)	580,303	647,763	1,294,493	1,370,229
(264,875,141)	(274,769,059)	(292,933,052)	(320,211,565)	(332,579,967)	(346,263,833)
95,287,091	102,565,196	100,387,919	103,598,448	101,357,950	110,669,219
9,881,280	10,158,367	9,939,725	10,136,078	12,704,254	8,500,956
6,716,504	6,877,426	6,830,405	6,956,453	6,917,190	7,203,640
857,952	881,995	863,021	880,069	892,877	921,927
24,730,755	26,113,779	27,431,076	27,898,170	30,840,252	30,991,151
151,836,554	163,593,289	174,578,921	186,285,458	193,830,409	195,304,005
835,448	64,564	377,933	533,415	296,406	1,517,487
1,130,782	2,102,375	1,439,852	1,877,806	1,394,310	1,794,570
76,686	-	-	-	-	-
-	-	-	(677,879)	33,252	-
370,163	-	-	-	-	-
291,723,215	312,356,991	321,848,852	337,488,018	348,266,900	356,902,955
-	-	-	677,879	(33,252)	-
-	-	-	677,879	(33,252)	-
291,723,215	312,356,991	321,848,852	338,165,897	348,233,648	356,902,955
26,105,243	38,413,499	28,335,497	16,628,690	14,392,440	9,268,893
742,831	(825,567)	580,303	1,325,642	1,261,241	1,370,229
\$ 26,848,074	\$ 37,587,932	\$ 28,915,800	\$ 17,954,332	\$ 15,653,681	\$ 10,639,122

Des Moines Independent Community School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ 798,809
Restricted	-	-	-	13,429,611
Committed	-	-	-	1,251,214
Assigned	-	-	-	-
Unassigned	-	-	-	5,636,791
Reserved	6,352,627	7,181,428	11,476,112	-
Unreserved	23,016,816	18,517,645	12,224,448	-
Total General Fund	\$ 29,369,443	\$ 25,699,073	\$ 23,700,560	\$ 21,116,425
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ 21,537
Restricted	-	-	-	86,496,045
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	437,781	702,247	2,826,104	-
Unreserved, reported in:				
Capital projects funds	21,210,594	14,048,083	6,030,119	-
Debt service	-	-	-	-
Permanent funds	-	1,515	1,641	-
Special revenue funds	9,680,298	9,254,412	10,887,744	-
Total all other governmental funds	\$ 31,328,673	\$ 24,006,257	\$ 19,745,608	\$ 86,517,582

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in fiscal year 2011

Source: Comprehensive Annual Financial Report

							Fiscal Year					
2011		2012		2013		2014		2015		2016		
\$	638,607	\$	520,900	\$	427,883	\$	1,133,969	\$	1,722,676	\$	2,022,946	
	14,421,417		12,777,279		9,777,870		8,471,647		12,395,621		19,449,024	
	2,935,317		2,916,046		6,632,403		11,500,000		11,500,000		11,500,000	
	-		-		8,000,000		8,000,000		4,717,021		2,270,271	
	20,607,861		45,507,578		49,196,424		47,321,858		43,870,654		45,777,595	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
\$	38,603,202	\$	61,721,803	\$	74,034,580	\$	76,427,474	\$	74,205,972	\$	81,019,836	
\$	-	\$	10,628	\$	39,965	\$	16,465	\$	114,706	\$	13,350	
	70,379,409		128,843,474		97,382,007		152,135,180		125,919,770		94,019,857	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
\$	70,379,409	\$	128,854,102	\$	97,421,972	\$	152,151,645	\$	126,034,476	\$	94,033,207	

Des Moines Independent Community School District

Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Federal sources, federal grants and other outside sources	\$ 23,682,244	\$ 30,387,722	\$ 35,826,527	\$ 55,991,777
State sources, state foundation aid and other sources	173,169,285	186,768,387	192,271,659	167,612,566
Intermediate sources	8,184,914	9,203,713	827,589	490,869
Local sources, local and other sources	152,490,096	151,092,795	163,293,732	157,464,731
Total revenues	\$ 357,526,539	\$ 377,452,617	\$ 392,219,507	\$ 381,559,943

Source: Comprehensive Annual Financial Report

Note: Beginning in fiscal year 2009, the State Department of Education no longer allows AEA support dollars to be classified as intermediate sources, rather they are now classified as local and other sources.

						Fiscal Year
2011	2012	2013	2014	2015	2016	
\$ 48,798,707	\$ 48,888,317	\$ 37,849,720	\$ 30,009,399	\$ 33,148,580	\$ 31,271,845	
193,034,832	202,442,682	213,969,591	229,099,059	239,405,178	252,220,303	
425,109	380,240	540,171	708,970	767,417	807,026	
166,804,026	172,943,075	168,732,640	175,230,860	178,806,897	186,716,026	
\$ 409,062,674	\$ 424,654,314	\$ 421,092,122	\$ 435,048,288	\$ 452,128,072	\$ 471,015,200	

Des Moines Independent Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Instruction	\$ 204,333,386	\$ 225,309,061	\$ 232,694,472	\$ 232,362,118
Student services	17,993,709	19,497,475	20,831,163	21,746,835
Instructional support services	7,685,131	8,138,207	8,604,544	8,101,158
General administration	3,930,504	4,778,387	5,175,484	4,399,564
Building administration	18,113,129	18,519,205	19,539,562	19,622,589
Business and central administration	9,100,426	9,240,852	7,447,867	7,232,503
Plant operation & maintenance	31,913,066	33,505,014	35,133,406	32,886,528
Insurance	-	-	-	-
Student transportation	10,187,970	10,009,481	9,876,399	9,602,623
Non-instructional	1,952,323	1,981,376	2,020,184	2,092,321
AEA support	10,455,648	10,993,407	11,511,318	12,463,876
Capital outlay	56,005,258	41,304,558	22,482,126	38,124,836
Capital outlay not capitalized	79,949	2,302,867	4,114,439	3,392,283
Debt service:				
Principal retirement	1,285,000	2,090,000	18,810,000	520,000
Interest	806,381	822,738	741,648	39,078
Bond issuance costs	65,000	-	-	499,051
Total expenditures	\$ 373,906,880	\$ 388,492,628	\$ 398,982,612	\$ 393,085,363
Debt service as a percentage of noncapital expenditures	0.68%	0.84%	5.25%	0.30%

Source: Comprehensive Annual Financial Report

Note: The increase in percentage in fiscal year 2009 is due to early retirement of sales tax revenue bonds.

							Fiscal Year					
2011		2012		2013		2014		2015		2016		
\$	235,454,394	\$	242,468,897	\$	248,569,469	\$	258,355,855	\$	268,167,131	\$	269,163,315	
	19,847,087		20,447,634		20,677,284		21,660,306		23,058,840		23,649,011	
	11,724,151		11,547,096		12,220,238		13,537,582		14,992,771		23,319,060	
	4,490,055		4,691,758		5,086,112		6,217,049		7,287,867		8,604,467	
	17,422,604		18,905,852		19,269,977		19,518,195		21,595,487		22,990,624	
	7,930,388		11,037,950		9,440,413		12,741,906		16,491,865		16,864,453	
	31,519,245		31,561,906		33,601,546		38,768,237		38,400,905		37,564,110	
	-		-		-		-		-		-	
	9,825,338		10,185,732		10,403,066		12,304,303		11,976,509		12,589,191	
	2,253,303		2,458,060		1,741,450		1,842,754		2,197,270		2,840,290	
	12,878,207		11,699,768		12,235,407		13,086,762		13,829,063		13,974,996	
	39,884,842		41,985,618		51,387,286		40,938,222		41,088,513		40,928,413	
	7,772,199		5,138,277		3,528,631		897,825		2,874,161		5,308,585	
	3,180,000		2,590,000		5,810,000		6,595,000		9,845,000		10,355,000	
	4,334,020		3,418,000		6,348,244		6,036,366		8,781,480		8,143,820	
	-		1,299,592		-		817,127		-		-	
\$	408,515,833	\$	419,436,140	\$	440,319,123	\$	453,317,489	\$	480,586,862	\$	496,295,335	
	2.08%		1.96%		3.15%		3.27%		4.27%		4.11%	

Des Moines Independent Community School District

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2007	2008	2009	2010
Excess of revenues over (under) expenditures	\$ (16,380,341)	\$ (11,040,011)	\$ (6,763,105)	\$ (11,525,420)
Other financing sources (uses):				
Issuance of debt	20,700,000	-	-	70,000,000
Proceeds from sale of capital assets	24,300	47,225	116,446	441,743
Proceeds from insurance recoveries	-	-	387,497	-
Premiums	-	-	-	5,271,516
Transfers in	2,091,381	2,912,738	19,551,648	559,078
Transfers out	(2,091,381)	(2,912,738)	(19,551,648)	(559,078)
Total other financing sources				
(uses)	20,724,300	47,225	503,943	75,713,259
Net change in fund balances	\$ 4,343,959	\$ (10,992,786)	\$ (6,259,162)	\$ 64,187,839

Source: Comprehensive Annual Financial Report

						Fiscal Year					
2011		2012		2013		2014		2015		2016	
\$	546,841	\$	5,218,174	\$	(19,227,001)	\$	(18,269,201)	\$	(28,458,790)	\$	(25,280,135)
	-		71,900,000		-		70,720,000		-		-
	801,763		21,150		107,648		214,140		86,867		92,730
	-		-		-		-		-		-
	-		4,453,970		-		5,135,507		-		-
	7,514,020		6,008,000		12,333,049		12,631,366		18,659,732		18,498,820
	(7,514,020)		(6,008,000)		(12,333,049)		(13,309,245)		(18,626,480)		(18,498,820)
	801,763		76,375,120		107,648		75,391,768		120,119		92,730
\$	1,348,604	\$	81,593,294	\$	(19,119,353)	\$	57,122,567	\$	(28,338,671)	\$	(25,187,405)

Des Moines Independent Community School District

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

Levy Year	Collection Year	Real Property		Personal Property	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2005	2006-07	\$ 5,887,919,450	\$ 9,410,985,530	\$ -	-
2006	2007-08	5,981,343,640	9,545,918,160	-	-
2007	2008-09	6,287,922,470	10,354,470,310	-	-
2008	2009-10	6,492,990,940	10,515,202,140	-	-
2009	2010-11	6,787,866,460	10,753,974,740	-	-
2010	2011-12	6,906,961,444	10,805,005,808	-	-
2011	2012-13	6,845,833,397	10,453,353,698	-	-
2012	2013-14	7,030,673,370	10,507,339,484	-	-
2013	2014-15	6,905,500,764	10,363,626,769	-	-
2014	2015-16	6,894,664,897	10,431,160,954		

Source: Polk County Auditor, Warren County Auditor, and Iowa Department of Management

Railroad and Utilities		Gas & Electric		Total		Total Direct Rate
Without Gas & Electric						
Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	
\$ 51,788,634	\$ 52,781,112	\$ 226,290,321	\$ 272,409,082	\$ 6,165,998,405	\$ 9,736,175,724	18.01713%
43,993,892	44,752,336	220,407,867	292,396,945	6,245,745,399	9,883,067,441	17.93709
44,719,491	45,514,985	229,880,963	285,085,397	6,562,522,924	10,685,070,692	17.78888
44,706,450	45,515,560	233,093,334	320,082,558	6,770,790,724	10,880,800,258	17.64277
47,026,045	47,026,045	222,317,184	328,932,292	7,057,209,689	11,129,933,077	17.64347
52,757,932	52,757,932	235,362,890	337,445,312	7,195,082,266	11,195,209,052	18.34848
55,092,528	55,092,528	232,662,908	345,375,275	7,133,588,833	10,853,821,501	18.34845
57,982,509	57,982,509	231,076,580	357,993,296	7,319,732,459	10,923,315,289	18.14592
52,397,622	53,251,989	233,578,596	303,652,622	7,191,476,982	10,720,531,380	17.99477
46,373,454	48,073,610	234,441,061	351,197,379	7,175,479,412	10,830,431,943	18.42809

Des Moines Independent Community School District

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

(rate per \$1,000 of assessed value)

(Unaudited)

Levy Year	Collection Year	District Direct Rates							Total
		General Fund	Management Fund	PPEL Fund	PERL Fund	Schoolhouse	Debt Service		
2005	2006-07	\$ 15.36729	\$ 1.55484	\$ 0.96000	\$ 0.13500	\$ -	\$ -	\$ 18.01713	
2006	2007-08	15.28725	1.55484	0.96000	0.13500	-	-	17.93709	
2007	2008-09	15.13904	1.55484	0.96000	0.13500	-	-	17.78888	
2008	2009-10	14.99293	1.55484	0.96000	0.13500	-	-	17.64277	
2009	2010-11	14.99363	1.55484	0.96000	0.13500	-	-	17.64347	
2010	2011-12	15.69864	1.55484	0.96000	0.13500	-	-	18.34848	
2011	2012-13	15.69861	1.55484	0.96000	0.13500	-	-	18.34845	
2012	2013-14	15.14156	1.90936	0.96000	0.13500	-	-	18.14592	
2013	2014-15	14.99041	1.90936	0.96000	0.13500	-	-	17.99477	
2014	2015-16	16.08309	1.25000	0.96000	0.13500	-	-	18.42809	

(Continued)

Overlapping Rates

Polk County	County Hospital	City of Des Moines	City of Norwalk	City of Pleasant Hill	City of Urbandale	City of Windsor Hts	City of WDM	Bloomfield Township	Ag Extension	Assessor
\$ 6.34845	\$ 3.49157	\$ 16.45083	\$ 13.92023	\$ 11.48197	\$ 9.07393	\$ 12.21843	\$ 11.95000	\$ 1.18175	\$ 0.03771	\$ 0.29738
6.84207	2.96959	16.59028	14.98315	11.48209	9.22000	12.40322	12.04999	0.60759	0.03703	0.31349
6.83696	2.92408	16.57606	14.36542	11.48208	9.22000	14.79484	12.05000	0.60766	0.03717	0.32711
6.82855	2.80423	16.57614	14.60000	11.65000	9.22000	13.76398	12.05000	0.87750	0.03752	0.30104
6.81833	2.92111	16.57614	14.60000	11.65006	9.32000	13.31499	12.05000	0.87750	0.03631	0.27848
6.80992	2.92193	16.58000	16.34634	11.65000	9.52000	13.31486	12.05000	0.87750	0.03696	0.24628
6.80992	2.97819	16.91982	15.69000	11.65000	9.62000	13.31499	12.05000	0.87750	0.03866	0.24382
6.94381	2.99567	16.92001	15.69000	11.64997	9.57000	13.89892	12.05000	0.87733	0.03945	0.27822
7.16880	3.11769	16.92000	15.68944	11.65000	9.72000	15.34886	12.05000	0.87731	0.04061	0.27750
7.30880	3.21296	16.92000	15.69376	11.65000	9.82000	15.07588	12.00000	0.87750	0.04102	0.27920

Des Moines Independent Community School District

Direct and Overlapping Property Tax Rates (Continued)

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

Levy Year	Collection Year	Overlapping Rates									
		State	Area XI College	Urbandale-WH SS Dist	Downtown SSMID	Sherman Hills Lighting #1	Sherman Hills Lighting #2	Highland Park SSMID	Ingersoll SSMID	Beaverdale SSMID	
2005	2006-07	\$ 0.00400	\$ 0.68688	\$ 0.16805	\$ 1.00000	\$ 1.50003	\$ 1.50002	\$ 1.74996	\$ -		
2006	2007-08	0.00350	0.60276	0.16848	1.00000	1.49988	1.50000	1.74996	1.74997		
2007	2008-09	0.00350	0.56386	0.16550	0.99813	1.49999	1.49999	1.75000	1.75000		
2008	2009-10	0.00300	0.56778	0.24131	1.00000	1.49983	1.49996	1.74992	1.75000		
2009	2010-11	0.00340	0.56008	0.28411	1.00472	1.49989	1.50727	1.75003	1.75001		
2010	2011-12	0.00320	0.59018	0.38435	1.00472	1.49996	1.50727	1.74999	1.75004		
2011	2012-13	0.00330	0.58466	0.47069	1.00000	1.50011	1.50002	1.75001	1.75001		
2012	2013-14	0.00330	0.69120	0.47163	1.15002	1.50021	1.50001	1.75002	2.25000		
2013	2014-15	0.00330	0.67574	0.44216	1.15000	1.50019	1.50024	1.75002	2.25000	1.74994	
2014	2015-16	0.00330	0.67574	0.29126	1.30000	1.50012	1.50002	1.75010	2.25000	1.75007	

Source: Polk County Auditor

Des Moines Independent Community School District

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

Taxpayer	2016			2008		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Mid American Energy	230,445,787	1	3.21%			
Nationwide	142,773,282	2	1.99%	112,760,580	2	1.93%
Wellmark Inc	97,183,800	3	1.35%			
Principal Mutual Life Insurance	91,253,430	4	1.27%	238,266,640	1	4.09%
Wells Fargo Financial	86,013,630	5	1.20%	105,874,790	3	1.82%
Principal Life Insurance	78,144,291	6	1.09%	238,266,640	1	4.09%
Employers Mutual Casualty	46,441,413	7	0.65%	46,385,000	4	0.80%
Hoxies Addition	26,314,020	8	0.37%			
Macerich Southridge	25,525,350	9	0.36%			
Lexington TNI Des Moines	24,717,300	10	0.34%			
	848,812,303		11.83%			

Source: Polk County Assessor

Des Moines Independent 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
2007	\$ 101,152,617	\$ 100,724,916	99.58%	\$ -	\$ -	-
2008	102,277,748	101,895,857	99.63%	-	-	-
2009	105,892,487	105,550,164	99.68%	-	-	-
2010	107,733,427	107,454,211	99.74%	-	-	-
2011	113,255,898	112,742,827	99.55%	-	-	-
2012	120,926,483	119,010,714	98.42%	1,472,269	120,482,983	99.63%
2013	118,233,562	116,612,288	98.63%	1,364,597	117,976,885	99.78%
2014	122,372,255	120,135,631	98.17%	1,397,537	121,533,168	99.31%
2015	118,679,473	117,530,023	99.03%	1,305,381	118,835,404	100.13%
2016	121,390,508	120,894,205	99.59%	1,122,654	122,016,859	100.52%

Source: Polk County Auditor and District records.

Due to timing of collections there are instances where the property tax is collected before the official due date.

Des Moines Independent Community School District

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Population	Assessed Value Property	Legal Debt Limit (5%)	General Bonded Debt Outstanding				Total	Debt to Assessed Value	Per Capita
				General Obligation Bonds	General Obligation Capital Loan Notes	Qualified Zone Academy Bonds				
2007	196,093	\$ 9,736,175,724	\$ 486,808,786	\$ -	\$ 2,060,000	\$ 1,000,000	\$ 3,060,000	0.03%	\$ 15.60	
2008	196,093	9,883,067,441	494,153,372	-	1,570,000	1,000,000	2,570,000	0.03%	13.11	
2009	196,093	10,685,070,692	534,253,535	-	1,060,000	1,000,000	2,060,000	0.02%	10.51	
2010	193,886	10,880,800,258	544,040,013	-	540,000	1,000,000	1,540,000	0.01%	7.94	
2011	193,886	11,129,933,077	556,496,654	-	-	-	-	0.00%	-	
2012	206,599	11,195,209,052	560,590,108	-	-	-	-	0.00%	-	
2013	206,688	10,853,821,501	542,691,075	-	-	-	-	0.00%	-	
2014	207,510	10,923,315,289	546,165,764	-	-	-	-	0.00%	-	
2015	209,220	10,720,531,380	536,026,569	-	-	-	-	0.00%	-	
2016	210,330	11,346,962,433	567,348,122	-	-	-	-	0.00%	-	

Source: Polk County Auditor, Warren County Auditor, Iowa Department of Management, U.S. Census Bureau, and District Records

Des Moines Independent Community School District

Outstanding Debt by Type

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities					Unamortized Premium / Discount	Total Primary Government	Percentage of Personal	
	General Obligation Bonds	General Obligation Capital Loan Notes	Qualified Zone Academy Bonds	LOST/ Statewide Penny Revenue Bonds				Income	Per Capita
2007	\$ -	\$ 2,060,000	\$ 1,000,000	\$ 19,900,000	\$ 12,014	\$ 22,972,014	0.30%	\$ 117.15	
2008	-	1,570,000	1,000,000	18,300,000	8,880	20,878,880	0.26%	\$ 106.47	
2009	-	1,060,000	1,000,000	-	5,746	2,065,746	0.02%	\$ 10.53	
2010	-	540,000	1,000,000	70,000,000	5,274,127	76,814,127	0.92%	\$ 396.18	
2011	-	-	-	68,360,000	4,716,243	73,076,243	0.89%	\$ 352.58	
2012	-	-	-	137,670,000	8,730,217	146,400,217	1.60%	\$ 666.36	
2013	-	-	-	131,860,000	7,827,835	139,687,835	1.49%	\$ 637.97	
2014	-	-	-	195,985,000	12,109,155	208,094,155	2.14%	\$ 944.46	
2015	-	-	-	186,140,000	10,644,178	196,784,178	1.98%	\$ 940.56	
2016	-	-	-	175,785,000	9,296,539	185,081,539	1.80%	\$ 879.96	

Source: District Records

Des Moines Independent Community School District

Direct and Overlapping Governmental Activities Debt

As of June 30, 2016

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping:			
City of Des Moines	\$ 450,399,224	96.4%	\$ 434,185,000
City of Pleasant Hill	2,320,000	24.1%	559,000
City of Urbandale	51,098,000	10.0%	5,110,000
City of Windsor Heights	11,649,068	0.9%	105,000
City of West Des Moines	110,786,350	0.1%	111,000
Des Moines Area Community College	62,785,000	30.1%	18,898,000
Polk County	309,845,825	35.3%	109,376,000
Warren County	536,794	5.4%	29,000
Subtotal, overlapping debt	999,420,261		568,373,000
Direct, Des Moines Independent Community School District:			
Sales tax revenue bond	175,785,000	100.0%	175,785,000
Subtotal direct debt	175,785,000		175,785,000
Total direct and overlapping debt	\$ 1,175,205,261		\$ 744,158,000

Source: State Treasurer of Iowa, Outstanding Obligation Report (2013 latest available data); District records.

The percentage applicable to the District is determined by the portion of the District geographical boundary included in the total boundary of the respective governmental entity.

Des Moines Independent Community School District

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

	2007	2008	2009	2010
Debt limit	\$ 486,808,786	\$ 494,153,352	\$ 534,253,535	\$ 544,040,013
Total net debt applicable to limit	22,960,000	20,870,000	2,060,000	71,540,000
Legal debt margin	\$ 463,848,786	\$ 473,283,352	\$ 532,193,535	\$ 472,500,013
Total net debt applicable to the limit as a percentage of debt limit	4.72%	4.22%	0.39%	13.15%

Source: Polk County Auditor and District Records

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 11,346,962,433
Debt limit (5% of assessed value)	\$ 567,348,122
Debt applicable to limit	175,785,000
Legal debt margin	\$ 391,563,122

	2011	2012	2013	2014	2015	2016
\$	556,496,654	\$ 559,760,453	\$ 546,165,764	\$ 546,165,764	\$ 536,026,569	\$ 567,348,122
	68,360,000	137,670,000	131,860,000	195,985,000	186,140,000	175,785,000
\$	488,136,654	\$ 422,090,453	\$ 414,305,764	\$ 350,180,764	\$ 349,886,569	\$ 391,563,122
	12.28%	24.59%	24.14%	35.88%	34.73%	30.98%

Des Moines Independent Community School District

Pledged-Revenue Coverage

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Local Option Sales and Services Tax				Coverage
	Revenue	Debt Service		Interest	
		Principal			
2007	\$ 28,220,269	\$ 800,000	\$ 719,468		5.38%
2008	30,301,047	1,600,000	750,750		7.76%
2009	30,821,593	18,300,000	685,300		61.60%
2010	24,841,106	#	#		0.00%
2011	28,174,783	1,640,000	4,313,500		21.13%
2012	26,045,238	2,590,000	3,418,000		23.07%
2013	27,364,977	5,810,000	6,348,244		44.43%
2014	27,874,657	6,595,000	6,036,366		45.31%
2015	30,744,831	9,845,000	8,781,480		60.58%
2016	29,329,789	10,355,000	8,143,820		63.07%

N/A - There were no revenue bonds outstanding in each of these years.

- There were no payments due on revenue bonds outstanding during fiscal year 2010.

Note:

The statewide penny sales (SWP) tax was implemented in the District on July 1, 2010. The District's SWP tax revenue for each fiscal year is calculated by multiplying the certified enrollment by the statewide average tax revenue per student. The statewide average is calculated by dividing the total statewide penny sales tax revenue by the statewide enrollment.

Des Moines Independent Community School District

Demographic and Economic Statistics

Last Ten Calendar Years

(Unaudited)

Calendar Year	Population	Per Capita Personal Income	Personal Income for Polk County	Unemployment Rate
2007	196,093	\$ 40,764	\$ 7,993,535,052	3.7%
2008	196,093	48,980	9,604,635,140	6.7%
2009	193,886	43,098	8,356,098,828	6.4%
2010	193,886	42,381	8,217,082,566	6.0%
2011	206,599	44,178	9,127,130,622	5.4%
2012	206,688	45,356	9,374,540,928	4.8%
2013	207,510	46,753	9,701,715,030	4.2%
2014	209,220	47,612	9,961,382,640	4.3%
2015	210,330	48,797	10,263,473,010	4.3%

Note: FY2000 through FY2009 from the 2000 US Census.

FY10 Information taken from 2006 population estimate from the US Census Bureau

FY11 Population data based on Census 2006, 2010 data not available for Des Moines

Per Capita Personal Income from IA Workforce Development 2013 data - most recent

Source: Iowa Workforce Development, U.S. Census Bureau

Des Moines Independent Community School District

Largest Public and Private Employers in Greater Des Moines Region

Current Year

(Unaudited)

Employer	2016			2009		
	Employees *	Rank	Percentage of Total Employment	Employees ****	Rank	Percentage of Total Employment
Wells Fargo	14,500	1	4.1%			
Mercy Medical Center	7,055	2	2.0%		4	
UnityPoint Health(Iowa Health System)	6,435	3	1.8%		3	
Hy-Vee Inc.	6,400	4	1.8%			
Principal Financial Group, Inc.	6,066	5	1.7%		1	
Des Moines Independent CSD***	5,003	6	1.4%	4,907	2	
Nationwide/Allied Insurance	4,269	7	1.2%			
Dupont Pioneer	2,800	8	0.8%			
Vermeer	2,500	9	0.7%			
JBS USA, LLC	2,300	10	0.7%			
Blank Children's Pediatric(now part of UnityPoint)					5	
HP Enterprise Services(CDS)					6	
Des Moines Register					7	
Bridgestone America Tire(Firestone)					9	
Luthern Services of Iowa					10	
Employers Mutual					8	

Total employment ** 350,000

Source:

* Greater Des Moines Partnership

** Bureau of Labor Statistics, US Dept. of Labor:

County employment and wages in Iowa, second quarter 2012:

*** District records

**** Greater Des Moines Partnership, rankings of public corporations only available for 2005

Same as last year as new figures were not available

Des Moines Independent Community School District

**Full-Time Equivalent District Employees By Type
Last Ten Fiscal Years**

(Unaudited)

	Full-Time Equivalent Employees as of June 30				
	2007	2008	2009	2010	2011
Administrators					
Central Office	32.5	32.0	40.0	39.0	29.0
Elementary Schools	33.0	33.0	36.0	37.0	37.0
Middle Schools	22.0	22.0	22.0	20.0	22.0
High Schools	26.0	29.0	28.0	29.0	21.0
Special Schools	7.0	8.0	5.0	5.0	6.0
Total Administrators	120.5	124.0	131.0	130.0	115.0
Teachers					
Academic Support	-	-	-	-	24.0
Behavior Coach	-	-	-	-	-
Non-classroom (other)	42.7	30.1	21.3	22.6	28.7
Classroom teachers	1,500.0	1,541.5	1,538.5	1,514.4	1,493.9
Counselors	75.2	76.7	81.9	76.1	57.0
Dean of Students	31.2	34.0	31.4	31.0	15.0
Educational tech support	5.8	6.2	4.0	2.5	3.0
ELL	85.7	84.3	81.3	81.3	84.3
Facilitator	7.9	7.0	8.0	2.0	1.0
Gifted and Talented	8.5	7.5	7.5	7.5	8.0
Head Start	15.0	16.0	15.0	18.5	17.5
Home Instruction	9.5	8.5	8.5	8.0	7.0
Instructional Coach	-	-	-	-	-
International Baccalaureate Coordinator	-	-	-	-	-
Library/Media specialists	9.4	8.4	8.0	8.0	5.0
Literacy trainer	6.0	-	-	-	-
Mentor Teacher	-	-	-	-	-
Montessori	-	-	-	-	-
New Horizons teachers	5.5	6.5	8.0	4.0	-
Nurses	53.6	55.8	55.4	54.7	57.9
Nursery	-	-	-	-	-
Preschool	20.5	47.5	48.0	46.5	43.5
Special Ed literacy support	8.6	-	-	-	-
Special Ed teachers	572.0	577.9	558.4	524.9	493.9
Special Ed consultants	29.2	31.0	31.0	30.5	33.0
Special Ed Support	124.0	132.0	126.1	124.5	112.7
Title I	158.6	172.0	185.3	194.8	180.8
Float	3.0	2.0	1.0	14.2	1.0
Total teachers	2,771.8	2,844.9	2,818.6	2,766.0	2,667.2
Associates					
Central Office	3.0	9.6	3.6	5.8	8.8
Elementary Schools	245.3	254.5	252.9	219.5	202.3
Middle Schools	66.4	62.8	62.8	52.0	58.8
High Schools	70.0	70.5	72.5	63.5	56.0
Special Schools	183.6	179.7	161.9	154.6	164.4
Total associates	568.3	577.1	553.7	495.4	490.3

Source: District records

(Continued)

Full-Time Equivalent Employees as of June 30					Percentage
2012	2013	2014	2015	2016	Change 2007 - 2016
30.0	35.0	36.0	37.0	39.0	20.0%
37.0	37.0	37.0	37.0	38.0	15.2%
21.0	21.0	21.0	20.0	20.0	-9.1%
22.0	22.0	22.0	24.0	24.0	-7.7%
7.0	8.0	8.0	5.0	5.0	-28.6%
117.0	123.0	124.0	123.0	126.0	4.6%
26.0	25.0	26.0	32.0	36.5	0.0%
-	7.5	9.5	19.7	26.8	0.0%
29.4	14.9	14.8	11.8	12.8	-70.0%
1,503.6	1,499.5	1,555.0	1,563.7	1,578.3	5.2%
51.5	58.3	58.4	63.0	67.4	-10.4%
17.0	16.2	14.5	4.6	3.6	-88.5%
-	-	-	-	-	-100.0%
85.3	86.8	88.8	91.0	106.5	24.3%
1.0	-	-	-	-	-100.0%
9.0	11.0	11.0	15.0	18.0	111.8%
15.5	14.5	13.5	14.0	14.0	-6.7%
7.0	7.0	6.0	6.0	5.0	-47.4%
-	-	-	49.5	109.9	100.0%
5.0	7.0	8.0	8.0	6.5	0.0%
5.0	3.0	2.0	2.0	2.0	-78.7%
-	-	-	-	-	-100.0%
-	-	10.5	14.5	17.5	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	-100.0%
57.3	57.6	57.7	58.4	60.2	12.3%
-	-	-	-	-	0.0%
34.5	38.5	38.5	34.0	34.0	65.9%
-	-	-	-	-	-100.0%
506.4	508.8	509.3	499.4	494.0	-13.6%
32.0	30.0	31.0	34.0	33.0	13.0%
124.2	128.2	126.4	121.6	125.9	1.5%
181.0	171.4	187.8	208.9	213.0	34.3%
-	2.0	4.0	1.0	5.0	66.7%
2,690.7	2,687.2	2,772.7	2,802.6	2,969.9	7.1%
7.8	9.8	11.8	24.8	26.8	793.3%
223.8	211.0	222.0	195.0	189.8	-22.6%
59.5	62.0	61.0	58.8	61.0	-8.1%
53.2	44.6	46.0	57.0	54.0	-22.9%
163.5	191.9	180.2	182.6	183.8	0.1%
507.8	519.3	521.0	518.2	515.4	-9.3%

Des Moines Independent Community School District

Full-Time Equivalent District Employees By Type (Continued)

Last Ten Fiscal Years

(Unaudited)

	2007	2008	2009	2010	2011
Specialist, Clerical, and Paraprofessionals					
Central Office	199.1	190.4	194.1	189.6	191.1
Elementary Schools	112.6	113.7	114.7	105.2	101.0
Middle Schools	57.9	56.1	47.2	58.6	61.4
High Schools	99.2	109.4	119.9	109.7	126.3
Special Schools	15.0	15.1	9.4	22.6	11.4
Total specialists, clerical, and paraprofessionals	483.8	484.7	485.3	485.7	491.2
Food Service, Operations, Transportation and Child Care					
Central Office	328.8	357.1	365.1	345.6	414.6
Elementary Schools	286.2	267.1	272.0	265.3	166.9
Middle Schools	115.2	113.1	111.9	113.1	105.9
High Schools	137.5	126.5	127.6	134.3	131.4
Special Schools	11.0	12.1	12.3	10.8	12.8
Total food svc, oper, transportation, and child care	878.6	876.0	888.9	869.1	831.6
Total	4,823.0	4,906.7	4,877.5	4,746.2	4,595.3

* Detail unavailable

Source: District records

Full-Time Equivalent Employees as of June 30					Percentage
2012	2013	2014	2015	2016	Change 2007 - 2016
187.0	181.7	206.5	231.0	243.8	0.22
100.6	119.4	124.4	103.9	106.0	(0.06)
63.6	63.9	65.6	65.0	62.4	0.08
125.1	122.9	124.1	135.1	131.6	0.33
19.0	20.9	21.5	17.0	20.0	0.33
495.3	508.8	542.1	552.0	563.8	0.17
380.6	373.0	344.9	336.4	342.0	0.04
215.8	216.4	221.1	245.6	247.5	(0.14)
100.9	97.0	99.5	101.3	103.6	(0.10)
118.3	119.1	124.9	114.1	118.5	(0.14)
10.4	11.2	13.3	13.1	16.0	0.46
826.0	816.7	803.7	810.5	827.5	(0.06)
4,641.6	4,655.0	4,763.5	4,806.3	5,002.6	0.04

Des Moines Independent Community School District

**Operating Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Business-Type Expenses	Cost Per Pupil	Percentage Change
2007	31,549.0	\$ 322,090,333	\$ 10,209	4.83	\$ 18,786,986	\$ 595	8.78
2008	31,218.4	346,905,851	11,112	0.09	18,412,253	590	(0.01)
2009	31,128.8	359,402,985	11,546	0.04	18,356,947	590	(0.00)
2010	30,783.0	368,369,974	11,967	0.04	17,514,358	569	(3.56)
2011	30,953.9	377,071,229	12,282	0.03	16,914,145	546	(0.04)
2012	31,546.3	383,099,908	12,144	0.01	17,509,877	555	(0.02)
2013	32,062.1	386,110,699	12,043	0.01	19,492,031	608	0.07
2014	32,413.2	412,187,728	12,717	0.06	20,740,564	640	0.12
2015	32,396.1	430,873,303	13,300	0.11	21,898,261	676	0.19
2016	32,581.9	435,783,821	13,375	0.09	23,201,200	712	0.30

Fiscal Year	Teaching Staff	Percentage of Students Receiving Free or Reduced-Priced Meals
2007	2,771.8	57
2008	2,844.9	62
2009	2,819.1	64
2010	2,766.0	65
2011	2,667.0	67
2012	2,690.7	66
2013	2,687.2	68
2014	2,772.7	69
2015	2,802.6	69
2016	2,969.9	73

Source: District Records

Note: Operating expenditures represent governmental activity expenditures less interest on long-term debt

Des Moines Independent Community School District

School Building Information

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2007	2008	2009	2010
Elementary:				
Name (Year)	Adams			
Square feet	49,995			
Capacity	420			
Enrollment	294			
Name (Year)	Brubaker	Brubaker	Brubaker	Brubaker
Square feet	78,224	78,224	78,224	78,224
Capacity	720	720	792	792
Enrollment	717	715	684	680
Name (Year)	Capital View	Capital View	Capital View	Capital View
Square feet	76,525	75,740	75,740	75,740
Capacity	710	710	720	720
Enrollment	619	630	541	551
Name (Year)	Carver	Carver	Carver	Carver
Square feet	-	93,627	91,500	91,500
Capacity	-	690	720	720
Enrollment	-	647	560	606
Name (Year)	Cattell	Cattell	Cattell	Cattell
Square feet	47,821	47,821	47,821	47,821
Capacity	460	460	408	408
Enrollment	339	354	400	393
Name (Year)	Cowles	Cowles	Cowles	Cowles
Square feet	42,800	42,800	42,800	42,800
Capacity	380	380	432	432
Enrollment	224	290	299	319
Name (Year)	Downtown	Downtown	Downtown	Downtown
Square feet	32,767	32,767	32,767	34,966
Capacity	270	270	264	264
Enrollment	272	268	258	293
Name (Year)	Edmunds	Edmunds	Edmunds	Edmunds
Square feet	45,930	45,930	45,930	45,930
Capacity	320	320	240	240
Enrollment	143	175	180	211
Name (Year)	Findley	Findley	Findley	Findley
Square feet	38,354	38,354	38,354	38,354
Capacity	380	380	384	384
Enrollment	310	358	345	323
Name (Year)	Garton	Garton	Garton	Garton
Square feet	43,290	65,648	65,648	65,648
Capacity	500	460	720	720
Enrollment	343	602	619	596

(Continued)

		Fiscal Year					
		2011	2012	2013	2014	2015	2016
Brubaker							
	78,224	78,224	78,224	78,224	78,224	78,224	78,224
	792	792	792	792	816	816	816
	661	694	672	672	642	704	697
Capital View							
	75,740	75,740	75,740	75,740	75,740	75,740	75,740
	720	720	720	720	720	720	720
	518	483	539	539	534	551	568
Carver							
	91,500	91,500	91,500	91,500	91,500	91,500	91,500
	720	720	720	720	720	720	720
	558	557	611	611	626	577	555
Cattell							
	47,821	47,821	47,821	47,821	47,821	47,821	47,821
	408	408	408	408	408	408	408
	405	393	408	408	411	397	388
Cowles							
	42,800	42,800	42,800	42,800	42,800	42,800	42,800
	432	432	432	432	456	517	517
	261	284	348	348	361	364	374
Downtown							
	34,966	34,966	38,125	38,125	38,125	38,125	38,125
	264	264	312	312	312	312	312
	285	278	274	274	263	267	268
Edmunds							
	45,930	45,930	76,385	76,385	76,385	76,385	76,385
	240	240	576	576	576	576	576
	171	274	287	287	409	435	346
Findley							
	38,354	38,354	43,548	43,548	43,548	43,548	43,548
	384	384	384	384	384	384	384
	273	292	314	314	320	342	344
Garton							
	65,648	65,648	65,648	65,648	65,648	65,648	65,648
	720	720	720	720	720	720	720
	596	522	564	564	595	624	612

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2007	2008	2009	2010
Elementary:				
Name (Year)	Granger/Mitchell			
Square feet	39,194			
Capacity	525			
Enrollment	550			
Name (Year)	Greenwood	Greenwood	Greenwood	Greenwood
Square feet	58,804	61,744	61,744	61,744
Capacity	450	450	456	456
Enrollment	420	454	453	450
Name (Year)	Hanawalt	Hanawalt	Hanawalt	Hanawalt
Square feet	43,246	43,246	43,246	43,246
Capacity	410	410	408	408
Enrollment	359	418	416	365
Name (Year)	Hillis	Hillis	Hillis	Hillis
Square feet	44,825	44,825	57,720	57,720
Capacity	410	410	420	600
Enrollment	390	468	460	471
Name (Year)	Howe	Howe	Howe	Howe
Square feet	38,505	38,505	38,505	38,505
Capacity	320	320	312	312
Enrollment	229	340	300	307
Name (Year)	Hubbell	Hubbell	Hubbell	Hubbell
Square feet	48,072	53,327	53,327	53,327
Capacity	390	390	456	456
Enrollment	347	402	390	394
Name (Year)	Jackson	Jackson	Jackson	Jackson
Square feet	35,872	35,872	35,872	45,585
Capacity	420	420	432	456
Enrollment	397	402	385	345
Name (Year)	Jefferson	Jefferson	Jefferson	Jefferson
Square feet	42,750	42,750	42,750	42,750
Capacity	480	480	408	408
Enrollment	424	421	426	432
Name (Year)	King	King	King	King
Square feet	51,414	51,414	54,171	54,171
Capacity	330	330	408	408
Enrollment	352	347	282	318
Name (Year)	Longfellow			
Square feet	31,420			
Capacity	300			
Enrollment	184			
Name (Year)	Lovejoy	Lovejoy	Lovejoy	Lovejoy
Square feet	31,806	31,806	31,806	31,806
Capacity	310	310	288	288
Enrollment	323	272	357	366

(Continued)

		Fiscal Year					
		2011	2012	2013	2014	2015	2016
Greenwood							
	61,744	61,744	61,744	61,744	61,744	61,744	61,744
	456	456	456	456	456	456	456
	412	413	446	414	384		325
Hanawalt							
	43,246	43,246	43,246	43,246	43,246	43,246	43,246
	408	408	408	408	408	408	408
	358	345	352	376	373		362
Hillis							
	57,720	57,720	57,720	57,720	57,720	57,720	57,720
	600	600	600	600	600	600	600
	431	425	483	507	534		447
Howe							
	38,505	38,505	38,505	38,505	38,505	38,505	38,505
	312	312	312	312	312	312	312
	304	276	297	282	298		312
Hubbell							
	53,327	53,327	53,327	53,327	53,327	53,327	53,327
	456	456	456	456	456	456	456
	405	435	455	447	428		423
Jackson							
	45,585	45,585	45,585	45,585	45,585	45,585	45,585
	456	456	456	456	456	456	456
	403	395	413	418	435		429
Jefferson							
	42,750	42,750	45,830	45,830	45,830	45,830	45,830
	408	408	408	408	408	456	456
	426	433	434	430	425		439
King							
	54,171	54,171	54,171	54,171	54,171	54,171	54,171
	408	408	408	408	408	456	456
	344	335	335	362	376		358
Lovejoy							
	31,806	31,806	39,154	39,154	39,154	39,154	39,154
	288	288	456	456	456	456	456
	322	333	332	349	380		389

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2007	2008	2009	2010
Elementary:				
Name (Year)	Madison	Madison	Madison	Madison
Square feet	42,049	42,049	42,049	42,049
Capacity	430	430	408	408
Enrollment	314	359	334	368
Name (Year)	McKinley	McKinley	McKinley	McKinley
Square feet	49,994	49,994	49,994	49,994
Capacity	380	380	360	360
Enrollment	337	363	292	292
Name (Year)	Mitchell - Bridges	Mitchell - Bridges	Mitchell	
Square feet	31,682	31,682	31,682	
Capacity	350	350	264	
Enrollment	118	135	-	
Name (Year)	Monroe	Monroe	Monroe	Monroe
Square feet	73,997	73,997	73,997	73,997
Capacity	660	660	576	576
Enrollment	526	533	523	485
Name (Year)	Moore			
Square feet	45,334			
Capacity	440			
Enrollment	287			
Name (Year)	Morris	Morris	Morris	Morris
Square feet	74,684	70,656	70,656	70,656
Capacity	700	700	744	744
Enrollment	577	583	630	691
Name (Year)	Moulton	Moulton	Moulton	Moulton
Square feet	121,650	121,650	121,650	121,650
Capacity	620	620	744	744
Enrollment	514	460	419	398
Name (Year)	Oak Park	Oak Park	Oak Park	Oak Park
Square feet	59,497	59,497	59,497	59,497
Capacity	380	380	408	408
Enrollment	399	405	403	410
Name (Year)	Park Avenue	Park Avenue	Park Avenue	Park Avenue
Square feet	59,565	59,565	59,565	59,565
Capacity	560	560	552	552
Enrollment	423	481	482	502
Name (Year)	Perkins	Perkins	Perkins	Perkins
Square feet	56,540	56,540	56,540	56,540
Capacity	440	420	432	432
Enrollment	423	453	460	438
Name (Year)	Phillips	Phillips	Phillips	Phillips
Square feet	41,936	41,936	41,936	41,936
Capacity	380	380	336	336
Enrollment	344	370	379	394

(Continued)

		Fiscal Year					
		2011	2012	2013	2014	2015	2016
Madison	Madison						
		42,049	42,049	42,049	42,049	42,049	42,049
		408	408	408	408	408	408
		316	333	409	377	346	317
McKinley	McKinley						
		49,994	49,994	49,994	49,994	49,994	49,994
		360	360	360	360	360	360
		316	342	319	331	343	293
Monroe	Monroe						
		73,997	73,997	73,997	73,997	73,997	73,997
		576	576	576	576	600	600
		501	495	533	553	536	535
							Moore
							51,848
							432
							188
Morris	Morris						
		70,656	70,656	70,656	70,656	70,656	70,656
		744	744	744	744	744	744
		602	616	617	612	595	579
Moulton	Moulton						
		121,650	121,650	121,650	121,650	121,650	121,650
		744	744	744	744	744	744
		366	357	428	474	457	471
Oak Park	Oak Park						
		59,497	59,497	59,497	59,497	59,497	59,497
		408	408	408	408	408	408
		403	407	399	396	406	424
Park Avenue	Park Avenue						
		59,565	59,565	64,925	64,925	64,925	64,925
		552	552	552	552	600	600
		457	465	472	472	424	451
Perkins	Perkins						
		56,540	56,540	56,540	56,540	65,064	65,064
		432	432	432	432	528	528
		461	436	438	441	464	482
Phillips	Phillips						
		41,936	41,936	41,936	41,936	41,936	41,936
		336	336	336	336	336	336
		359	362	404	407	387	373

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2007	2008	2009	2010
Elementary:				
Name (Year)	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill
Square feet	36,161	36,161	36,161	36,161
Capacity	310	310	312	312
Enrollment	328	347	316	310
Name (Year)	River Woods	River Woods	River Woods	River Woods
Square feet	58,126	58,126	58,126	58,126
Capacity	500	500	504	504
Enrollment	518	491	501	530
Name (Year)	Samuelson(@Woodlawn)	Samuelson(@Woodlawn)	Samuelson	Samuelson
Square feet	46,548	46,548	56,586	56,586
Capacity	450	450	504	504
Enrollment	394	534	467	475
Name (Year)	South Union	South Union	South Union	South Union
Square feet	68,508	68,508	68,508	68,508
Capacity	630	630	696	696
Enrollment	553	572	560	533
Name (Year)	Stowe	Stowe	Stowe	Stowe
Square feet	36,000	36,000	56,967	56,967
Capacity	400	400	408	408
Enrollment	267	352	364	408
Name (Year)	Studebaker	Studebaker	Studebaker	Studebaker
Square feet	42,272	42,272	42,272	42,272
Capacity	420	420	456	456
Enrollment	477	461	437	435
Name (Year)	Wallace			
Square feet	31,960			
Capacity	360			
Enrollment	346			
Name (Year)	Walnut Street	Walnut Street	Walnut Street	Walnut Street
Square feet	38,800	38,800	58,212	58,212
Capacity	NA	NA	384	384
Enrollment	104	212	248	250
Name (Year)	Willard	Willard	Willard	Willard
Square feet	59,301	59,301	59,301	59,301
Capacity	560	560	600	600
Enrollment	387	427	434	437
Name (Year)	Windsor	Windsor	Windsor	Windsor
Square feet	55,510	60,475	60,475	60,475
Capacity	420	420	408	408
Enrollment	346	375	415	400
Name (Year)	Wright	Wright	Wright	Wright
Square feet	30,300	30,300	30,300	30,300
Capacity	310	310	312	312
Enrollment	282	284	273	252

(Continued)

		Fiscal Year					
		2011	2012	2013	2014	2015	2016
Pleasant Hill	Pleasant Hill						
		36,161	36,161	41,270	41,270	41,270	41,270
		312	312	312	312	408	408
		270	283	312	309	309	315
River Woods	River Woods						
		58,126	58,126	59,950	58,126	64,773	64,773
		504	504	504	504	600	600
		489	509	509	540	545	541
Samuelson	Samuelson						
		56,586	56,586	58,678	58,678	58,678	58,678
		504	504	528	528	528	528
		481	514	526	515	527	470
South Union	South Union						
		68,508	68,508	68,508	68,508	68,508	68,508
		696	696	696	696	696	696
		542	545	578	562	520	504
Stowe	Stowe						
		56,967	56,967	56,967	56,967	56,967	56,967
		408	408	408	408	408	408
		416	389	362	363	365	374
Studebaker	Studebaker						
		42,272	42,272	45,400	45,400	45,400	45,400
		456	456	504	504	504	504
		454	401	416	479	451	454
Walnut Street	Walnut Street						
		58,212	58,212	58,212	58,212	58,212	97,020
		384	384	384	414	414	630
		205	281	312	278	283	292
Willard	Willard						
		59,301	59,301	59,301	59,301	59,301	59,301
		600	600	600	600	600	600
		432	439	426	437	429	410
Windsor	Windsor						
		60,475	60,475	60,475	60,475	60,475	60,475
		408	408	408	408	408	408
		384	416	425	394	360	338
Wright	Wright						
		30,300	30,300	30,300	30,300	30,300	30,300
		312	312	312	288	288	288
		273	248	271	258	289	284

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2007	2008	2009	2010
Middle:				
Name (Year)	Brody	Brody	Brody	Brody
Square feet	90,500	90,500	90,500	90,500
Capacity	650	650	637	637
Enrollment	709	738	720	688
Name (Year)	Callanan	Callanan	Callanan	Callanan
Square feet	116,037	116,037	116,037	116,037
Capacity	700	700	828	828
Enrollment	621	591	612	604
Name (Year)	Goodrell	Goodrell	Goodrell	Goodrell
Square feet	102,230	110,495	110,495	110,495
Capacity	700	700	871	871
Enrollment	631	611	591	614
Name (Year)	Harding	Harding	Harding	Harding
Square feet	125,339	125,339	125,339	125,339
Capacity	840	840	828	828
Enrollment	562	530	557	581
Name (Year)	Hiatt	Hiatt	Hiatt	Hiatt
Square feet	103,060	103,060	103,060	103,060
Capacity	800	800	743	743
Enrollment	465	484	504	533
Name (Year)	Hoyt	Hoyt	Hoyt	Hoyt
Square feet	99,874	99,874	99,874	99,874
Capacity	750	750	850	850
Enrollment	625	590	608	594
Name (Year)	McCombs	McCombs	McCombs	McCombs
Square feet	78,978	78,978	78,978	78,978
Capacity	650	650	701	701
Enrollment	611	589	582	594
Name (Year)	Meredith	Meredith	Meredith	Meredith
Square feet	107,316	107,316	107,316	107,316
Capacity	850	850	871	871
Enrollment	676	654	645	638
Name (Year)	Merrill	Merrill	Merrill	Merrill
Square feet	89,500	89,500	89,500	89,500
Capacity	650	650	658	658
Enrollment	627	608	592	615
Name (Year)	Weeks	Weeks	Weeks	Weeks
Square feet	118,770	112,390	112,390	112,390
Capacity	900	900	1,041	1,041
Enrollment	728	754	757	749

(Continued)

Fiscal Year							
2011	2012	2013	2014	2015	2016		
Brody							
90,500	90,500	90,500	90,500	98,082	98,082	98,082	
637	637	871	871	871	871	871	
689	680	702	744	736	736	749	
Callanan							
116,037	116,037	116,037	116,037	116,037	116,037	116,037	
828	828	828	828	828	828	828	
607	643	626	620	572	572	561	
Goodrell							
110,495	110,495	110,495	110,495	110,495	110,495	110,495	
871	871	871	871	871	893	893	
608	594	591	619	633	633	632	
Harding							
125,339	125,339	125,339	125,339	125,339	125,339	125,339	
828	828	828	828	850	850	850	
556	534	619	700	767	767	773	
Hiatt							
103,060	103,060	103,060	103,060	109,879	109,879	109,879	
743	743	850	850	850	850	850	
579	609	634	626	551	551	589	
Hoyt							
99,874	99,874	99,874	99,874	100,691	100,691	100,691	
850	850	850	850	893	893	893	
580	533	518	488	488	488	510	
McCombs							
78,978	78,978	78,978	78,978	88,258	88,258	88,258	
701	701	807	807	807	829	829	
626	591	664	657	662	662	691	
Meredith							
107,316	107,316	107,316	107,316	107,316	107,316	107,316	
871	891	891	891	891	891	891	
607	687	666	715	713	713	737	
Merrill							
89,500	89,500	89,500	89,500	94,162	94,162	94,162	
658	658	658	658	658	701	701	
623	671	658	705	718	718	730	
Weeks							
112,390	112,390	112,390	112,390	112,390	112,390	112,390	
1,041	1,041	1,041	1,041	1,041	1,063	1,063	
677	675	689	633	670	670	717	

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2007	2008	2009	2010
High:				
Name (Year)	East	East	East	East
Square feet	355,293	344,376	344,376	344,376
Capacity	2,100	2,100	2,337	2,337
Enrollment	2,191	2,216	2,160	2,224
Name (Year)	Hoover	Hoover	Hoover	Hoover
Square feet	183,400	183,400	183,400	183,400
Capacity	1,175	1,175	1,083	1,083
Enrollment	1,188	1,174	1,115	1,130
Name (Year)	Lincoln	Lincoln	Lincoln	Lincoln
Square feet	269,905	312,628	312,628	312,628
Capacity	1,900	1,800	1,848	1,848
Enrollment	2,175	2,203	2,181	2,262
Name (Year)	Kurtz	Kurtz	Kurtz	Kurtz
Square feet	106,264	106,264	106,264	106,264
Capacity	730	730	637	637
Enrollment				
Name (Year)	North	North	North	North
Square feet	220,960	220,960	220,960	220,960
Capacity	1,150	1,150	1,147	1,147
Enrollment	1,132	1,139	1,133	1,170
Name (Year)	Roosevelt	Roosevelt	Roosevelt	Roosevelt
Square feet	282,050	282,050	282,050	239,117
Capacity	1,550	1,550	1,145	1,678
Enrollment	1,622	1,671	1,654	1,654

(Continued)

		Fiscal Year					
		2011	2012	2013	2014	2015	2016
East	East	East	East	East	East	East	East
	344,376	344,376	344,376	344,376	344,376	344,376	344,376
	2,337	2,337	2,337	2,337	2,337	2,337	2,337
	2,266	2,230	2,288	2,291	2,286	2,286	2,303
Hoover	Hoover	Hoover	Hoover	Hoover	Hoover	Hoover	Hoover
	183,400	183,400	183,400	191,700	191,700	191,700	191,700
	1,083	1,105	1,105	1,105	1,105	1,105	1,105
	1,075	1,065	1,028	966	1,016	1,016	1,070
Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	Lincoln
	312,628	312,628	312,628	312,628	312,628	312,628	312,628
	1,848	1,848	1,848	1,848	1,848	1,848	1,848
	2,252	2,218	2,144	2,185	2,166	2,166	2,245
Kurtz	Kurtz(Lincoln 9th Grade)						
	106,264	106,264	106,498	106,264	106,264	106,264	106,264
	637	637	637	637	637	637	637
		%	%	%	%	%	%
North	North	North	North	North	North	North	North
	220,960	220,960	220,960	249,639	249,639	249,639	249,639
	1,147	1,253	1,253	1,253	1,253	1,253	1,253
	1,133	1,121	1,182	1,251	1,196	1,196	1,253
Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt
	239,117	239,117	239,117	239,117	240,317	240,317	240,317
	1,678	1,785	1,785	1,785	1,785	1,785	1,785
	1,628	1,659	1,658	1,708	1,819	1,819	1,790

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2007	2008	2009	2010
Special Schools:				
Name (Year)	Central Campus	Central Campus	Central Campus	Central Campus
Square feet	456,660	456,660	456,660	456,660
Capacity	1,500	1,500	1,615	1,615
Enrollment	\$	\$	\$	\$
Name (Year)	Central Academy \$		Central Academy \$	
Square feet	86,426		86,426	
Capacity	658		658	
Enrollment	\$		\$	
Name (Year)	Scavo @ Central Campus			
Square feet	-----	see Central Campus	-----	-----
Capacity	-----	see Central Campus	-----	-----
Enrollment	287	394	399	301
Name (Year)	Smouse	Smouse ****	Smouse ****	Smouse
Square feet	53,809	53,809	53,809	53,809
Capacity	NA	NA	NA	384
Enrollment	123	121	136	137
Name (Year)	Van Meter	Van Meter ****	Van Meter ****	Van Meter ****
Square feet	56,460	56,460	56,460	56,460
Capacity	NA	NA	NA	403
Enrollment	211	192	189	170

(Continued)

Fiscal Year						
2011	2012	2013	2014	2015	2016	
Central Campus						
456,660	456,660	456,660	456,660	456,660	456,660	456,660
1,615	1,530	1,328	1,328	1,848		1,848
\$	\$	\$	\$	\$	\$	\$
Central Academy \$						
86,426	86,426	86,426	86,426	86,426	86,426	86,426
658	658	658	658	658	658	658
\$	\$	\$	\$	\$	\$	\$
Scavo @ Moore						
45,334	45,334	45,334	45,334	45,334	see Central Campus	see Central Campus
504	504	504	504	504	see Central Campus	see Central Campus
266	272	304	265	359		459
Smouse						
53,809	53,809	53,809	53,809	53,809	53,809	53,809
384	384	384	384	384	384	384
110	100	128	110	93		83
Van Meter ****						
56,460	56,460	56,460	56,460	56,460	56,460	56,460
403	403	403	403	403	553	553
168	174	170	163	156		158

Des Moines Independent Community School District

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

School	Fiscal Year			
	2007	2008	2009	2010
Other:				
Name (Year)	Casady	Casady	Casady	Casady
Square feet	43,709	43,709	43,709	43,709
Name (Year)	Central Campus Ag Lab			
Square feet	12,500	12,500	12,500	12,500
Name (Year)	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center	Central Nutrition Center
Square feet	56,186	56,186	56,186	56,186
Name (Year)	Walker Street	Walker Street %	Walker Street %	Walker Street %
Square feet	33,481	33,481	33,481	33,481
Name (Year)	Operations Center	Operations Center	Operations Center	Operations Center-Dean
Square feet	-	-	-	97,404
Name (Year)	McKee	McKee	McKee	McKee
Square feet	43,400	43,400	43,400	43,400
Name (Year)				Mitchell
Square feet				31,682
Name (Year)	Mann	Mann	Mann	Mann
Square feet	32,490	32,490	32,490	32,490
Name (Year)	MSSV-1915 Prospect	MSSV-1915 Prospect	MSSV-1915 Prospect	MSSV-1915 Prospect
Square feet	52,573	52,573	52,573	52,573
Name (Year)	Walnut St Admin	Walnut St Admin	Walnut St Admin	Walnut St Admin
Square feet	77,600	77,600	58,212	58,212
Name (Year)				
Square feet				
Name (Year)				
Square feet				
Name (Year)	Welcome Center	Welcome Center	Welcome Center	Welcome Center
Square feet	6,200	6,200	6,200	6,200

Source: District records.

**** Special needs schools do not have an "ideal capacity". It depends on the needs of the children that are attending and may vary year to year.

% Building being used to house the 9th graders. The enrollment is rolled into high school total.

\$ Magnet schools, students who attend are included with enrollment totals at home Middle or High Schools.

Revised in 2014 to better match District schedules. Closed buildings moved to 'other', 'special' schools category broken out.

Fiscal Year						
2011	2012	2013	2014	2015	2016	
Casady	Casady	Casady	Jesse Taylor @ Cassady	Jesse Taylor @ Cassady	Jesse Taylor @ Cassady	
43,709	43,709	43,709	45,297	45,297	45,297	
Central Campus Ag Lab						
12,500	12,500	12,500	12,500	12,500	12,500	
Central Nutrition Center						
56,186	56,186	56,186	56,186	56,186	56,186	
Walker Street %						
33,481	33,481	33,481	33,481	33,481	33,481	
Operations Center-Dean						
97,404	97,404	97,404	97,404	97,404	97,404	
McKee	McKee	McKee	McKee	McKee	McKee	
43,400	43,400	43,400	43,400	43,400	43,400	
Mitchell	Mitchell	Mitchell	Mitchell	Mitchell	Mitchell	
31,682	31,682	31,682	31,682	31,682	31,682	
Mann	Mann	Mann	Mann	Mann	Mann	
32,490	32,490	32,490	32,490	32,490	32,490	
MSSV-1915 Prospect	MSSV-1915 Prospect	1915 Prospect	1915 Prospect	1915 Prospect	1915 Prospect	
52,573	52,573	52,573	52,573	52,573	52,573	
Walnut St Admin						
58,212	58,212	58,212	58,212	19,404	-	
				2323 Grand	2323 Grand	
				53,200	49,734	
					2100 Fleur	
					36,673	
		Woodlawn Education Ctr	Woodlawn Education Ctr	Woodlawn Education Ctr	Woodlawn Education Ctr	
		46,548	46,548	46,548	46,548	
Welcome Center						
6,200	6,200	6,200	6,200	6,200	6,200	

Des Moines Independent Community School District

Capital Asset Information

Last Ten Fiscal Years

(Unaudited)

Schools:	Fiscal Year			
	2007	2008	2009	2010
Elementary:				
Buildings	45	46	46	43
Square feet	2,229,859	2,365,082	2,418,986	2,305,821
Capacity	19,055	19,791	20,532	20,040
Enrollment	15,012	15,881	15,428	15,565
Middle:				
Buildings	12	12	12	12
Square feet	1,194,328	1,196,213	1,196,213	1,196,213
Capacity	8,220	8,220	8,665	9,068
Enrollment	6,466	6,341	6,357	6,380
High:				
Buildings	6	7	7	7
Square feet	1,768,268	1,886,500	1,886,500	1,843,567
Capacity	9,375	9,275	9,833	10,366
Enrollment	10,895	11,038	8,243	8,745
Special Schools:				
Buildings				
Square feet				
Capacity				
Enrollment				
Other:				
Buildings	6	6	6	8
Square feet	214,397	214,397	214,397	445,095
Total District Sq Ft (less modulars)	5,406,852	5,662,192	5,716,096	5,790,696
Transportation:				
Garages	1	1	1	1
Buses	138	131	131	134
Athletics:				
Football fields	5	5	5	5
Soccer fields	-	-	-	-
Running tracks	6	6	6	6
Baseball/softball	10	10	10	10
Swimming pools	8	8	8	8
Playgrounds	45	46	46	46

Revised in 2014 to better match District schedules. Closed buildings moved to 'other', 'special' schools category broken out.

Scavo, Ruby Van Meter, Smouse enrollments only; Central Campus and Central Academy enrollments are included with students' home middle or high school.

Source: District records.

Fiscal Year						
2011	2012	2013	2014	2015	2016	
			#	#	#	
44	44	44	36	36	37	
2,335,017	2,338,302	2,338,302	2,117,554	2,132,725	2,219,761	
19,584	19,680	19,968	17,840	18,261	17,118	
15,286	15,105	15,848	15,944	15,930	15,944	
12	12	12	10	10	10	
1,196,213	1,196,213	1,196,213	1,062,649	1,062,649	1,062,649	
9,068	9,088	9,535	8,560	8,669	8,669	
6,320	6,391	6,537	6,507	6,510	6,507	
8	8	8	6	6	6	
1,888,901	1,888,901	1,888,901	1,443,724	1,444,924	1,445,158	
10,870	11,020	10,818	8,965	8,965	8,965	
11,262	8,565	8,604	8,401	8,483	8,401	
			5	4	4	
			698,689	653,355	653,355	
			3,277	3,443	3,443	
			538	608	538	
7	7	7	12	13	14	
289,553	347,765	347,765	515,973	530,365	598,087	
5,709,684	5,771,181	5,771,181	5,838,589	5,824,018	5,979,010	
1	1	1	1	1	1	
135	135	132	136	130	135	
5	5	5	4	4	4	
-	-	-	-	-	-	
6	6	6	5	5	5	
10	10	10	10	10	10	
8	8	8	8	8	7	
44	44	44	41	39	42	

