

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

Comprehensive Annual Financial Report
Year Ended June 30, 2011

Des Moines Independent Community School District, Des Moines, Iowa

Comprehensive Annual Financial Report
Year Ended June 30, 2011

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

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

Contents

Introductory Section

Table of contents	i - ii
Letter of transmittal	iii – vii
Organizational chart	viii
Board of Education and school district officials	ix
GFOA certificate of achievement	x
ASBO certificate of excellence	xi

Financial Section

Independent auditor's report	1 – 2
Management's discussion and analysis	3 – 15
Basic financial statements:	
Government-wide financial statements:	
Statement of net assets	16 – 17
Statement of activities	18 – 19
Fund financial statements:	
Governmental funds:	
Balance sheet	20
Reconciliation of total governmental fund balances to net assets of governmental activities	21
Statement of revenues, expenditures and changes in fund balances	22
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	23
Proprietary funds:	
Statement of net assets	24
Statement of revenues, expenses and changes in net assets	25
Statement of cash flows	26
Fiduciary funds:	
Statement of fiduciary net assets	27
Statement of changes in fiduciary net assets	28
Notes to basic financial statements	29 – 57
Required supplementary information:	
Schedule of funding progress, retiree health benefit plan	58
Budgetary comparison schedule – all governmental funds, enterprise funds and private purpose trust funds	59 – 60
Note to required supplementary information	61
Other supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	62 – 63
Combining statement of revenues, expenditures and changes in fund balances	64 – 65
Nonmajor enterprise funds:	
Combining statement of net assets	66 – 67
Combining statement of revenues, expenses and changes in fund net assets (deficit)	68 – 69
Combining statement of cash flows	70 – 71

Contents

Financial Section (Continued)	
Internal service funds:	
Combining statement of net assets (deficit)	72
Combining statement of revenues, expenses and changes in fund net assets (deficit)	73
Combining statement of cash flows	74
Agency funds:	
Combining statement of assets and liabilities	75
Combining statement of changes in assets and liabilities	76

Statistical Section (Unaudited)	
Statistical section contents	77
Net assets by component	78 – 79
Expenses, program revenues and net (expense) revenue	80 – 83
General revenues and total change in net assets	84 – 85
Fund balances, governmental funds	86 – 87
Governmental funds revenues	88 – 89
Governmental funds expenditures and debt service ratio	90 – 91
Other financing sources and uses and net change in fund balances – governmental funds	92 – 93
Taxable value and actual value of taxable property	94 – 95
Direct and overlapping property tax rates	96 – 98
Principal property taxpayers	99
Property tax levies and collections	100
Ratios of general bonded debt outstanding	101
Outstanding debt by type	102
Direct and overlapping governmental activities debt	103
Legal debt margin information	104 – 105
Pledged-revenue coverage	106
Demographic and economic statistics	107
Largest public and private employers in greater Des Moines	108
Full-time equivalent district employees by type	109 – 112
Operating statistics	113
School building information	114 – 129
Capital asset information	130 – 131

Compliance Section	
Schedule of expenditures of federal awards	132 – 134
Notes to schedule of expenditures of federal awards	135
Summary schedule of prior audit findings	136 – 137
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards	138 – 139
Independent auditor's report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133	140 – 141
Schedule of findings and questioned costs	142 – 149
Corrective action plan	150



December 16, 2011

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, 2011.

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.

McGladrey & Pullen, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2011. 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 2011 was 31,545, making it by far the largest public school district in Iowa.

Kiplinger ranked Des Moines among its top "10 Best Cities for the Next Decade;" Forbes magazine ranked Des Moines number 1 as one of the "Best Places to Raise a Family;" and lastly the National Civic League ranked Des Moines as one its 2010 All-American Cities promoting civic engagement and cooperation.

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 two preschool centers. It has 38 elementary schools; 11 middle schools; 2 stand alone ninth grade academies; 6 high schools including an alternative high school; a career and technical institute and central academy; and many other special schools and programs. The District also maintains a maintenance/warehouse facility, a print shop, a wellness center and athletic complexes.

The strength of the District can best be demonstrated by the diversity of the people and the educational programs offered:

- More than 2,700 students attend Central Campus, a Regional Academy, from the Des Moines high and middle schools including 28 other school districts from the Greater Des Moines area. The Advanced Placement program at Central Academy is ranked as one of the top 50 AP schools in the nation, with graduates going on to the world's leading universities.
- Students at the Career and Technical Institute are recognized as the best in the nation in areas ranging from automotive technology to culinary arts to aviation to marine biology. The World Language program offers more areas of study than any other place in Iowa.
- Des Moines Schools offers many different educational programming choices:
 - Two schools, Jefferson and Phillips Elementary Schools, offer students a traditional curriculum.
 - Four schools, Capitol View, Downtown, Moulton and Riverwoods Elementary Schools provide families the option of an extended (year round) school calendar.
 - Cowles School offers Iowa's only public Montessori program.
 - All kindergartens in the district are full day programs.
 - The District has 9th Grade Academies located separately in or away from each of its high schools.

- Central Academy, Goodrell Middle School, Hubbell Elementary, Merrill Middle School, Park Ave. Elementary, and Stowe Elementary school currently offer International Baccalaureate (IB) programmes. Gateway Secondary School, Meredith Middle School and Walnut Street School are currently working to become authorized IB programmes.
- Wright Elementary and Howe Elementary are both recognized as Bernstein Artful Learning schools.
- The Charter School, designed for at-risk students, opened in January 2011 and is a year round school.
- The District is also one of the first in the nation to help working parents stay close to their children during the school day. Two schools, the Downtown and Walnut Street Schools, are located in the heart of the city's business district. The Downtown School has been cited as a national example of a modern elementary school.
- Carver Community School is a model of educational and community programs, like the Boys and Girls Club, joining together to help students achieve their full potential and is one of the models cited by the National Civic League when awarding Des Moines the title of 2010 All-America City.
- Programs such as Scavo High School, Future Pathways and High School and Middle School Alternative Education Centers provide alternatives to help students succeed in middle and high school and graduate.

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, 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 Iowa Health Systems are the major private employers within the District.

The outlook for the local economy is more promising than at this time last year. CNN Money recently named Des Moines the 8th most recession-proof area in the country. There are a variety of components contributing to the City's economy that in the past has created a stability that has been apparent in the city's lower than state and national unemployment figures. This still holds true even as unemployment rates have risen state and nationwide. The October, 2011 unemployment rate for Des Moines was 6.0 percent.

The District has experienced slow but steady increases in its tax base, averaging about 2- 3 percent per year.

At the same time, enrollment taken on October 1, 2010 affecting fiscal year 2012 state funding increased 0.02 percent; while October 1, 2011 enrollment affecting fiscal year 2013 state funding increased 0.02 percent. 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." The solvency ratio for the district increased at year end to 6.0 percent, up from 3.2 percent in the prior year. The district had plans to increase its solvency ratio over time, primarily by not making one time expenditures using cash reserves.

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 unspent spending authority balance ratio is 14.1 percent, up from 12.9 percent for the prior year.

The District has a ten year Schools Renovation Program and in fiscal year 2011 completed several construction projects. Additional projects were started and will be completed in fiscal year 2012. Some of the schools that were improved in fiscal year 2011 include: Roosevelt High School, North High School, Hoover High School, McCombs Middle School, Merrill Middle School, Brody Middle School, Cowles and Findley Elementary School. The average age of a school building is 63 years.

Major Initiatives – The district continues to work on its energy efficiency. To that end, 38 district schools have received the Energy Star designation based on their rating in the upper 25 percent nationally for energy efficiency.

In addition, the state passed legislation replacing a local option sales and service tax (LOSST) with a state wide penny sales (SWP) tax. Under LOSST, each district received its pro rata share of LOSST collected in that district. Under the new legislation, starting July 1, 2010 a one cent sales tax will be collected state wide and distributed annually to each school district based on their annual enrollment each year through June 30, 2029. The change in how revenue due the district is calculated will result in a projected \$9 – \$10 million decrease in sales tax revenue per year. As part of the new legislation, a revenue purpose statement indicating how this funding will be used by the district was approved on September 9, 2009 by district voters allowing the use of this tax primarily for school repair and renovation.

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, 2011 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 of McGladrey & Pullen, 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 fourth 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, 2010. 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 fourth time, awarded a Certificate of Excellence in Financial Reporting to the district for the fiscal year ending June 30, 2010. This award represents the highest recognition for school district operations offered by ASBO International.

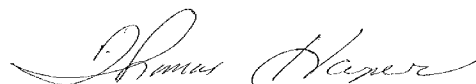
Each Certificate is valid for a period of one year only and the certificates for fiscal year 2010 are included in this report. We believe that our current CAFR continues to meet the GFOA and ASBO International Certificate of Achievement programs' requirements and we are submitting it to both the GFOA 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, McGladrey & Pullen, 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. Nancy Sebring
Superintendent

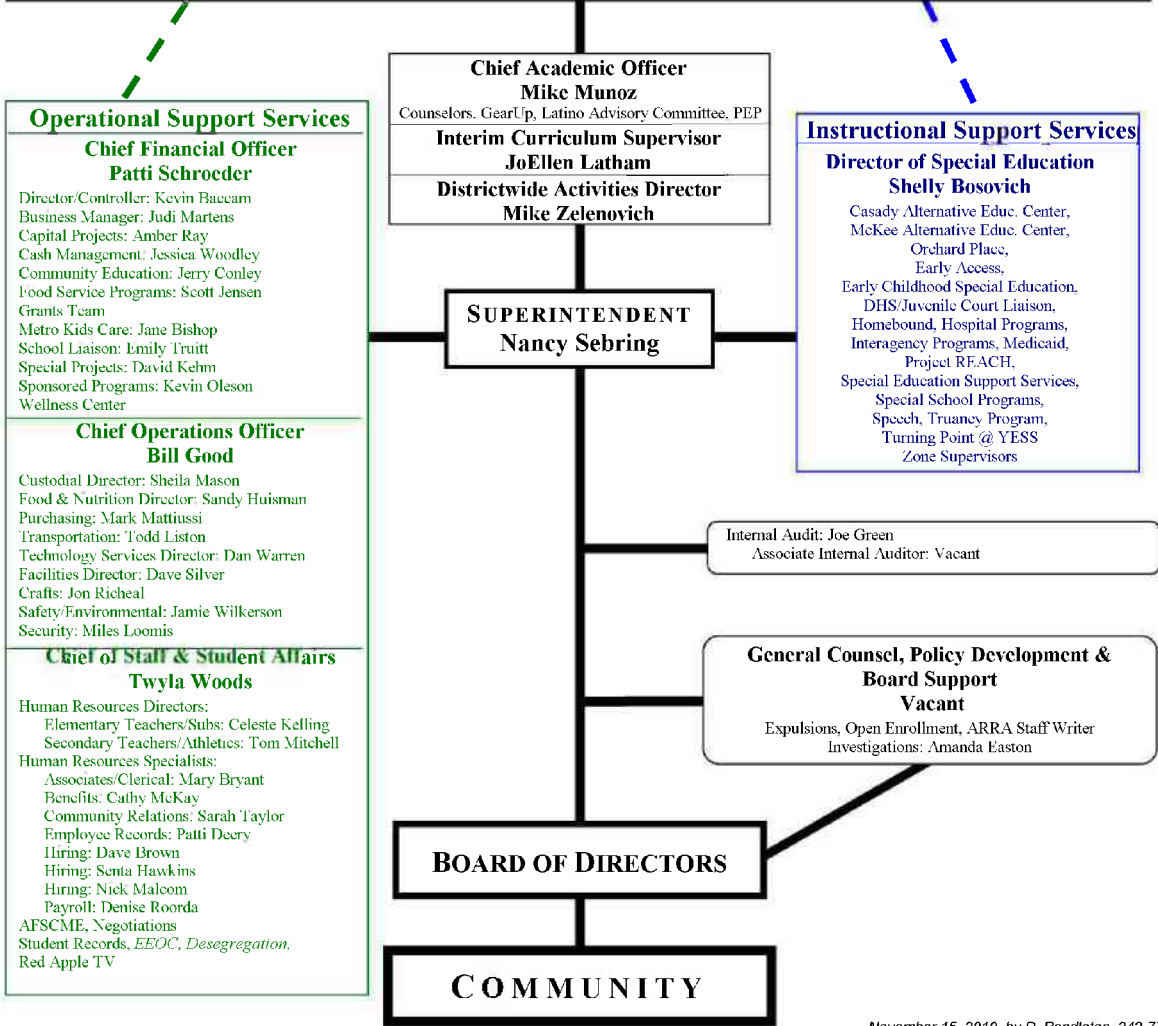


Thomas L. N. Harper, CPA, CFM, CMA, CIA
Chief Financial Officer



2010-11 ORGANIZATIONAL CHART

SCHOOLS		
<p style="text-align: center;">SOUTH REGION</p> <p>Central Academy, Central Campus, Lincoln, Lincoln South, Orchard Place, Scavo Brody, McCombs, Weeks</p> <p>Brubaker, Capitol View, Carver, Downtown, Edmunds, Garton, Howe, Jackson, Jefferson, Lovejoy, McKinley, Morris, Park Avenue, Phillips, Pleasant Hill, River Woods, South Union, Stowe, Studebaker, Willard, Wright</p> <p>Assessment, Drivers Education, Future Pathways, Gateway Secondary, Gifted & Talented, Home Instruction, <u>International Baccalaureate</u>, <u>Library Services</u>, Professional Development, Shared Programming</p> <p style="text-align: center;">Assoc. Supt. Terrence Martin Executive Director K-5 Tina Jensen</p>	<p style="text-align: center;">NORTHWEST REGION</p> <p>Hoover, Roosevelt Ruby Van Meter Callanan, Meredith, Merrill,</p> <p>Cattell, Cowles, Findley, Greenwood, Hanawalt, Hillis, Hubbell, King, Madison, Monroe, Moulton, Oak Park, Perkins, Samuelson, Smouse, Walnut Street, Windsor</p> <p>Early Childhood Programs/Preschool: Susic Guest District Registrar, ELL, Preschool/Head Start, Title Programs</p> <p style="text-align: center;">Assoc. Supt. Connie Cook Executive Director K-5 Susan Tallman</p>	<p style="text-align: center;">NORTHEAST REGION</p> <p>East, North Goodrell, Harding, Hiatt, Hoyt McKee Alternative Educ. Ctr.</p> <p style="text-align: center;">Learning Services</p> <p style="text-align: center;"><u>Attendance</u>, Community In Schools/EIS, <u>Full-Service Schools</u>, Casady Alternative Center Districtwide Programs <u>Student Placement</u>, <u>21st Century Schools</u></p> <p style="text-align: center;">Executive Director Bryce Amos</p>



November 15, 2010, by D. Pendleton, 242-7766

Des Moines Independent Community School District

**Board of Education and School District Officials
Year Ended June 30, 2011**

Name	Title	Term Expires
Board of Education		
Before November 2010:		
Connie Boesen	President	2013
Patty Link	Vice President	2013
Margaret Buckton	Board Member	2013
Teree Caldwell-Johnson	Board Member	2013
Richard Murphy	Board Member	2011
Ginny Strong	Board Member	2011
Jeanette Woods	Board Member	2011
After November 2010:		
Connie Boesen	President	2013
Patty Link	Vice President	2013
Teree Caldwell-Johnson	Board Member	2013
Felipe Gallardo	Board Member	2013
Richard Murphy	Board Member	2011
Ginny Strong	Board Member	2011
Jeanette Woods	Board Member	2011
School District Officials		
Dr. Nancy Sebring	Superintendent	
Patricia Schroeder	Secretary and Treasurer	Appointed
Pat Lantz	Attorney	Appointed

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, 2010

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



Linda C. Sandison

President

Jeffrey R. Emmer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Des Moines Independent Community School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Des Moines Independent Community School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 12 to the basic financial statements, the District adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its classifications for governmental funds' fund balances.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2011 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 15, schedule of funding progress on page 58 and the budgetary comparison schedule on pages 59 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was performed 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 as well as the accompanying schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget A-133, *Audits of States, Local Governments and Nonprofit Organizations*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Des Moines, Iowa
December 16, 2011

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

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, 2011. 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 in the spring of 2009 legislatively approved an allowable growth factor of 2 percent for fiscal year 2011 for the District's General Fund; this is 2 percent less than the growth that the legislature approved from fiscal year 2008 to fiscal year 2009. However, due to the global, national, state and local recession, the legislature did not fully fund allowable growth.

In April 2010, the board approved an expenditure budget for fiscal year 2011 for all funds of \$456.9 million (including transfers). The district did not require any budget amendments in fiscal year 2011.

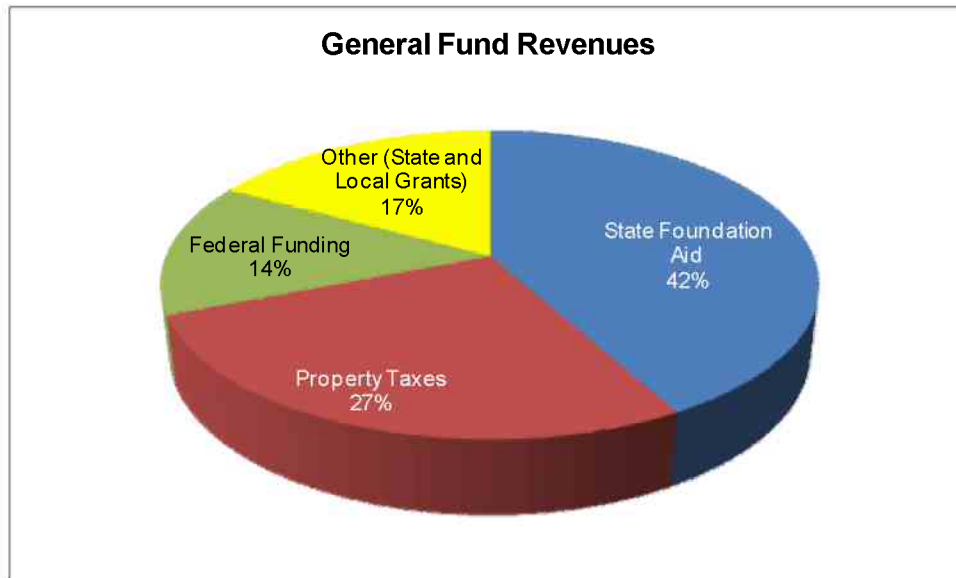
As in past years, the District continued to operate within its total statutory budgetary parameters. That is, expenditures (including transfers) for all funds by major function were less than anticipated, 94.8 percent of budget.

- **Revenue:** Government-wide revenues were \$424.1 million, which primarily consisted of state aid, property taxes, federal grants and local option sales taxes. General Fund revenues accounted for 84 percent of the Government-wide revenue. Program specific revenues in the form of charges for services and grants, and contributions accounted for 31 percent of total fiscal year 2011 revenues.

The General Fund had \$357.4 million in revenues for fiscal year 2011, which primarily consisted of state aid and property taxes. General Fund revenues increased seven percent in fiscal year 2011, primarily due to the restoration of foundation aid cut in fiscal year 2010 and in increase in local property taxes.

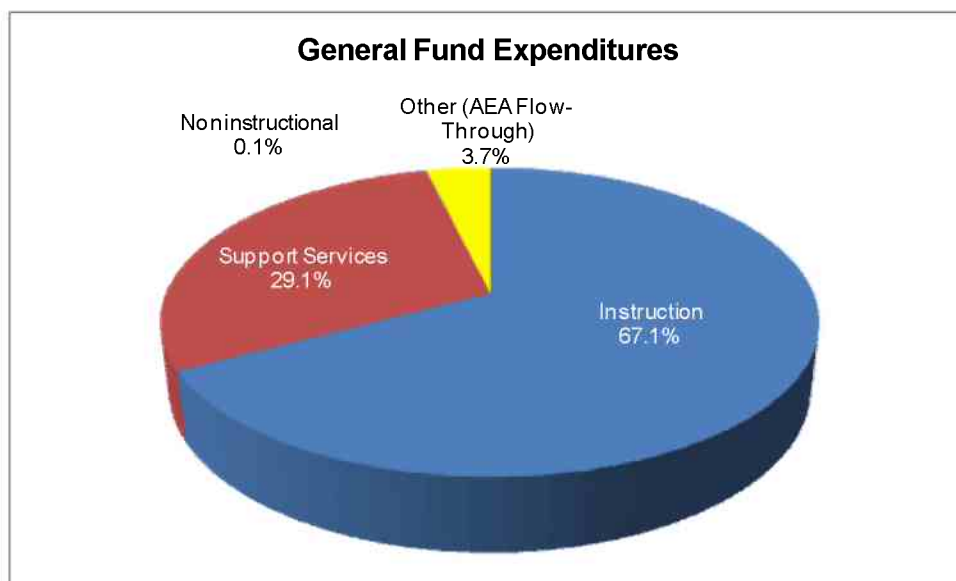
Des Moines Independent Community School District

Management's Discussion and Analysis
Year Ended June 30, 2011



Expenses: Government-wide expenses were \$380.3 million related to governmental activities, of which \$114.7 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$291.7 million provided for the remaining costs of these programs.

The General Fund had \$339.9 million in fiscal year 2011 expenditures, which primarily consisted of instructional expenditures. General Fund expenditures increased one percent, primarily due to the cuts made in fiscal year 2010, and maintained in 2011, somewhat offset by increases in expenditures associated with the receipt of federal grant funding throughout the year.



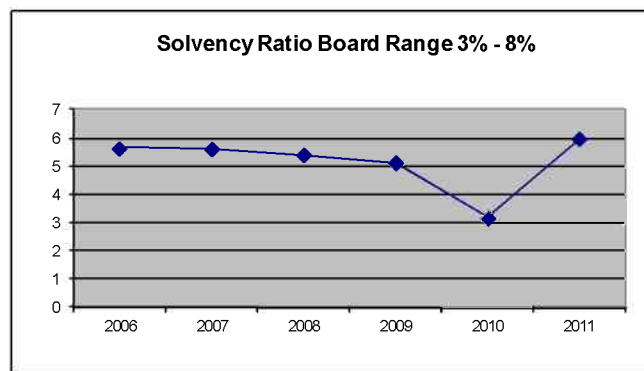
Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

- **General Fund Balance and Solvency Ratio:** The District's overall General Fund balance increased from \$21.1 million as of June 30, 2010 to \$38.6 million as of June 30, 2011, an increase of \$17.5 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 use board approved one time funding to fund on-going expenditures.

The General Fund unassigned portion of fund balance increased from \$5.6 million as of June 30, 2010 to \$20.6 million as of June 30, 2011, an increase of \$15 million.

The District's solvency ratio also increased from 3.2 percent as of June 30, 2010 to 6.0 percent as of June 30, 2011.



Board guidelines set a range of 3 percent – 8 percent for the District's solvency ratio, 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 percent is within "target" or "good" and, therefore, "can handle the unexpected."

- **Debt:** The District's total long-term debt decreased by a net of \$3.2 million during the current fiscal year due to scheduled payments. The total outstanding bond debt at the end of the fiscal year is approximately \$68.36 million, consisting of revenue bonds.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

- **Capital Projects** - Schools First (LOSST – local option sales and services tax) and Students First (SWP – statewide penny tax) Plans. While revenues from LOSST sales taxes increased \$3.5 million from fiscal year 2010 to 2011, due to final reconciliation payment for that revenue stream which ended in fiscal year 2010. Revenue projection for SWP are on par with those received for LOSST.
- Expenditures increased by \$9.2 million from fiscal year 2010 to 2011 primarily because of increased Students First Renovation (SWP) program major repair expenditures.

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 assets 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.

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.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

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, Preschool, Home Remodeling, Automotive and Wellness Center.

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.

- **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.

Des Moines Independent Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2011**

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

	Government-Wide Statements	Fund Financial 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 Assets	Balance Sheet	Statement of Net Assets	Statement of Fiduciary Net Assets
	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Revenues, Expenses and Changes in Net Assets Statement of Cash Flows	Statement of Changes in Fiduciary Net Assets
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

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.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

Government -Wide Financial Analysis

Net assets: The following table presents a summary of the District's net assets for the year ended June 30, 2011 with comparison totals as of June 30, 2010:

	Governmental Activities 2011	Governmental Activities 2010	Business-Type Activities 2011	Business-Type Activities 2010	Total 2011	Total 2010
Current assets	\$ 255,329,952	\$ 221,280,606	\$ 746,033	\$ 907,322	\$ 256,075,985	\$ 222,187,928
Capital assets, net	358,820,976	327,494,916	2,283,505	2,411,710	361,104,481	329,906,626
Other noncurrent assets	51,209,813	69,682,709	-	-	51,209,813	69,682,709
Total assets	665,360,741	618,458,231	3,029,538	3,319,032	668,390,279	621,777,263
Current liabilities	191,681,443	171,354,151	2,060,011	3,081,351	193,741,454	174,435,502
Long-term liabilities	88,599,943	88,129,968	51,220	62,205	88,651,163	88,192,173
Total liabilities	280,281,386	259,484,119	2,111,231	3,143,556	282,392,617	262,627,675
Net assets:						
Invested in capital						
assets, net of debt	338,928,488	321,900,574	2,283,505	2,411,710	341,211,993	324,312,284
Restricted	31,199,263	26,709,665	-	-	31,199,263	26,709,665
Unrestricted	14,951,604	10,363,873	(1,365,198)	(2,236,234)	13,586,406	8,127,639
Total net assets	\$ 385,079,355	\$ 358,974,112	\$ 918,307	\$ 175,476	\$ 385,997,662	\$ 359,149,588

The District's combined net assets were greater as of June 30, 2011 than June 30, 2010. The increase occurred primarily in the governmental activities net capital assets as a result of the capitalization of school renovation, and 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 District also expended less than the revenues received, thus causing an increase in net assets.

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

Changes in net assets: The following schedule shows the changes in net assets for the year ended June 30, 2011 with comparison totals for the year ended June 30, 2010. The difference between revenues and expenditures represents the change in net assets.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

	Governmental Activities 2011	Governmental Activities 2010	Business-Type Activities 2011	Business-Type Activities 2010	Total 2011	Total 2010
Revenues:						
Program revenues:						
Charges for services	\$ 23,902,894	\$ 23,027,972	\$ 6,095,975	\$ 6,522,307	\$ 29,998,869	\$ 29,550,279
Operating grants and contributions	90,715,067	97,746,607	11,561,001	11,061,636	102,276,068	108,808,243
Capital grants and contributions	89,825	597,248	-	-	89,825	597,248
General revenues:						
Property taxes	112,742,827	107,454,212	-	-	112,742,827	107,454,212
Sales tax, capital projects	24,730,755	28,617,206	-	-	24,730,755	28,617,206
Investment earnings	835,448	189,740	-	-	835,448	189,740
State aid and other state sources	151,913,240	127,923,803	-	-	151,913,240	127,923,803
Other including transfers from fiduciary fund	1,130,782	999,696	-	-	1,130,782	999,696
Gain on sale of capital assets	370,163	354,798	-	-	370,163	354,798
Transfers	-	(12,140)	-	12,140	-	-
Total revenues	406,431,001	386,899,142	17,656,976	17,596,083	424,087,977	404,495,225
Expenses:						
Instruction	251,762,378	245,423,324	-	-	251,762,378	245,423,324
Support services	105,598,773	106,442,287	-	-	105,598,773	106,442,287
Noninstructional	6,831,871	3,143,025	-	-	6,831,871	3,143,025
Other expenses	16,132,736	13,361,338	16,914,145	17,514,358	33,046,881	30,875,696
Total expenses	380,325,758	368,369,974	16,914,145	17,514,358	397,239,903	385,884,332
Change in net assets	26,105,243	18,529,168	742,831	81,725	26,848,074	18,610,893
Beginning, net assets	358,974,112	340,444,944	175,476	93,751	359,149,588	340,538,695
Ending, net assets	\$ 385,079,355	\$ 358,974,112	\$ 918,307	\$ 175,476	\$ 385,997,662	\$ 359,149,588

- The main revenue sources of state aid and other state sources, property and sales taxes account for 68.2 percent of total revenue.
- The District's expenses primarily relate to instruction and support services which account for 90.0 percent of the total expenses.
- Overall the District had an increase in net assets of \$26,848,074 and 7.5 percent increase over the prior year.
- Governmental activities increased the net assets by \$26,105,243 or 97 percent of the total growth in net assets. The change was due primarily to the state restoring the stimulus funds used to stabilize the state budget in fiscal year 2010.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

Governmental Activities

- State foundation aid and other state sources, property taxes and sales taxes are the primary sources of revenue for the District, 37 percent, 28 percent and 6 percent, respectively, of total governmental activities revenues for fiscal year 2011 compared to 33 percent, 28 percent and 7 percent, respectively, for fiscal year 2010. Overall revenue increased 5 percent due to the restoration of state foundation aid and property taxes. Instruction constitutes the largest portion of expenditures at \$251.8 million or 66 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 6.0 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 2010:

	2011		2010	
	Total Expenses	Net (Expense)	Total Expenses	Net (Expense)
		Revenue		Revenue
Instruction	\$ 251,762,378	\$ (153,303,753)	\$ 245,423,324	\$ (137,985,307)
Other support services	105,598,773	(102,251,894)	106,442,287	(105,006,605)
Noninstructional programs	6,831,871	(6,807,796)	3,143,025	(3,108,773)
Other expenses	16,132,736	(3,254,529)	13,361,338	(897,462)
Total expenses	\$ 380,325,758	\$ (265,617,972)	\$ 368,369,974	\$ (246,998,147)

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 \$114.6 million or 30.1 percent of total governmental activities expenses.

Business-Type Activities – Change in Net Assets:

- 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 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 assets of \$768,557 for fiscal year 2011.
- 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 negative change in net assets of \$(1,555).

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

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 \$17.5 million. The District's solvency ratio (unassigned fund balance/General Fund revenues) increased from 3.2 percent to 6.0 percent primarily due to the restoration of state aid funded by ARRA funds and the District's management of its head count and operational expenses.
- The increase in General Fund revenues (6 percent) compared to fiscal year 2010 was primarily due to the state restoring student foundation aid and the associated local tax increase. Total state aid increased 15 percent, while federal funding decreased 13 percent, demonstrating how federal stimulus funding received made up for some of the lost state foundation aid.
- The increase in General Fund expenditures (1 percent) compared to fiscal year 2010 was primarily due to cuts made in fiscal year 2010, and maintained in fiscal year 2011, somewhat offset by increases in expenditures associated with the receipt of additional grant funding throughout the year.

Capital Projects Fund:

- The Capital Projects Fund has a total fund balance of \$55.6 million for 2011 and \$75.0 million for 2010. The net decrease in the Capital Projects fund for the fiscal year was primarily due to the major construction program the District has undertaken using the statewide penny tax.

Proprietary Fund Highlights

There are no major enterprise funds. The School Nutrition Fund represents 81 percent of the expenditures of total enterprise funds. The District's percent of students eligible for free and reduced meals increased from fiscal year 2010 (65.0 percent) to 2011 (66.9 percent) as in past years, resulting in a slight 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 documents 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. An amended budget was not prepared for the District; therefore, the original budget is the final budget.

- As in past years, the District continued to operate within its total statutory budgetary parameters. That is, expenditures (including transfers) for all funds by major function were less than anticipated, at 94.8 percent of the final budget.

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

- The District's General Fund, its principal operating fund, continues to remain financially solvent.
 - The District received 99.0 percent of budgeted General Fund revenues. Overall General Fund revenue increased 6 percent over the prior year primarily due to the state making restoring the foundation aid cuts made in fiscal year 2010.
 - The District spent 95.0 of budgeted General Fund expenditures based on the final budget. General Fund expenditures increased 1 percent primarily due to the cut made in fiscal 2010, and maintain in fiscal 2011, somewhat offset by increases in expenditures associated with the receipt of additional grant funding throughout the year.
 - At the end of fiscal year 2011, the Unspent Authorized Budget ratio for the General Fund was 14.1 percent, a positive increase when compared to 6.1 percent at the end of fiscal year 2009.

Capital Assets and Debt Administration

Capital Assets: As of June 30, 2011, the District had invested \$361.1 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 \$31.2 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.

The following schedule presents capital asset balances, net of accumulated depreciation, for the fiscal year ended June 30, 2011, compared with balances as of June 30, 2010:

	Governmental Activities 2011	Governmental Activities 2010	Business-Type Activities 2011	Business-Type Activities 2010	Total 2011	Total 2010
Land	\$ 4,117,729	\$ 4,119,094	\$ -	\$ -	\$ 4,117,729	\$ 4,119,094
Construction-in-progress	64,218,395	44,804,743	-	-	64,218,395	44,804,743
Land improvements	3,233,816	2,301,424	-	-	3,233,816	2,301,424
Buildings and improvements	279,570,907	269,375,755	-	-	279,570,907	269,375,755
Vehicles, furniture and equipment	7,680,129	6,893,900	2,283,505	2,411,710	9,963,634	9,305,610
Total	\$ 358,820,976	\$ 327,494,916	\$ 2,283,505	\$ 2,411,710	\$ 361,104,481	\$ 329,906,626

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

Des Moines Independent Community School District

Management's Discussion and Analysis Year Ended June 30, 2011

Debt Administration: As of June 30, 2011, the District had \$68.36 million in bonds outstanding, of which \$2.59 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, 2011, with comparative information as of June 30, 2010:

	<u>2011</u>	<u>2010</u>
Capital loan notes	\$ -	\$ 540,000
Qualified zone academy bonds	-	1,000,000
Sales tax revenue	68,360,000	70,000,000
Total	<u>\$ 68,360,000</u>	<u>\$ 71,540,000</u>

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 \$556.5 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 2010 to October 2011 by 0.02 percent. The enrollment in October 2010 times the district cost per student determines the amount of state foundation aid the district will receive for fiscal year 2012 from a combination of state aid and property taxes. The cost per student from year to year increases by a factor known as allowable growth. Normally, allowable growth is set by the legislature two years prior to the year it will affect the cost per student. The allowable growth rate for fiscal year 2012 is zero and for fiscal year 2013 it is 2 percent.
- Enrollment per modeling done by the Iowa Department of Education is projected to remain stable or increase slightly in future years.
- The state passed legislation replacing a local option sales and service tax (LOSST) with a statewide penny sales (SWP) tax. Under LOSST, each district received its pro rate share of LOSST collected in the county where the district is located. This district continued to collect LOSST until June 30, 2010. Under the new legislation, a one-cent sales tax will be collected statewide (SWP) and distributed annually to each school district based on their annual enrollment each year through June 30, 2029. The change in how revenue due the district is calculated will result in a projected \$9 – \$10 million decrease in sales tax revenue per year for the district.
- Estimates made by the State Revenue Estimating Conference (REC) will be critical in determining the district's future funding in the form of state foundation aid. The REC recently met in October 2011 and revised the state revenue projections upward from what was estimated a year ago.

Des Moines Independent Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2011**

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, 901 Walnut Street, Des Moines, Iowa 50309.

Des Moines Independent Community School District

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 101,704,985	\$ 50	\$ 101,705,035
Cash held with agent	6,008,006	-	6,008,006
Property taxes receivable - current year	1,854,673	-	1,854,673
Property taxes receivable - succeeding year	120,926,474	-	120,926,474
Interest receivable	364,926	-	364,926
Other receivables, net of allowances for uncollectible of \$85,208	275,046	209,739	484,785
Due from other governments	23,486,527	183,850	23,670,377
Assets held for sale	-	32,047	32,047
Inventories	583,974	319,177	903,151
Prepaid expenses	125,341	1,170	126,511
Total current assets	255,329,952	746,033	256,075,985
Noncurrent assets:			
Investments	1,951,852	-	1,951,852
Restricted cash and investments	48,811,478	-	48,811,478
Deferred charges	446,483	-	446,483
Capital assets:			
Capital assets - nondepreciable	68,336,124	-	68,336,124
Capital assets - depreciable, net	290,484,852	2,283,505	292,768,357
Total capital assets	358,820,976	2,283,505	361,104,481
Total noncurrent assets	410,030,789	2,283,505	412,314,294
Total assets	\$ 665,360,741	\$ 3,029,538	\$ 668,390,279

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 9,733,350	\$ 200,568	\$ 9,933,918
Claims payable	6,204,449	-	6,204,449
Accrued payroll	27,195,625	261,389	27,457,014
Accrued interest payable	284,833	-	284,833
Other current liabilities	1,715,625	-	1,715,625
Due to other governments	5,587,029	850	5,587,879
Internal balances	(1,307,647)	1,307,647	-
Unearned, succeeding year property taxes	120,926,474	-	120,926,474
Unearned revenue	11,561,674	133,344	11,695,018
Compensated absences	2,513,717	156,213	2,669,930
Special termination benefits	4,676,314	-	4,676,314
Revenue bonds	2,590,000	-	2,590,000
Total current liabilities	191,681,443	2,060,011	193,741,454
Noncurrent liabilities:			
Retrospective insurance rating plan	417,808	-	417,808
Compensated absences	961,839	51,220	1,013,059
Special termination benefits	9,646,558	-	9,646,558
Other postemployment benefits	7,009,000	-	7,009,000
Pollution remediation liability	78,495	-	78,495
Bond premiums	4,716,243	-	4,716,243
Revenue bonds	65,770,000	-	65,770,000
Total noncurrent liabilities	88,599,943	51,220	88,651,163
Total liabilities	280,281,386	2,111,231	282,392,617
Net Assets			
Invested in capital assets, net of related debt	338,928,488	2,283,505	341,211,993
Restricted for:			
DMPS expendable trust	2,516,107	-	2,516,107
Permanent trust	11,538	-	11,538
Categorical funding	8,622,923	-	8,622,923
Shared programs	646,673	-	646,673
Special education	4,200,000	-	4,200,000
Medicaid	373,521	-	373,521
Grants	578,300	-	578,300
Management levy	2,387,192	-	2,387,192
Physical plant and equipment levy	7,151,918	-	7,151,918
Public education and recreation levy	247,135	-	247,135
Capital projects	2,402,161	-	2,402,161
Student activities	2,061,795	-	2,061,795
Unrestricted (deficit)	14,951,604	(1,365,198)	13,586,406
Total net assets	385,079,355	918,307	385,997,662
Total net assets and liabilities	\$ 665,360,741	\$ 3,029,538	\$ 668,390,279

Des Moines Independent Community School District

**Statement of Activities
Year Ended June 30, 2011**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Instruction	\$ 251,762,378	\$ 10,548,824	\$ 87,819,976	\$ 89,825
Student services	20,562,462	-	-	-
Instructional support services	11,926,860	-	2,093,741	-
General administration	4,752,013	-	-	-
Building administration	17,692,429	-	4,500	-
Business and central administration	7,465,018	-	-	-
Plant operation and maintenance	32,500,882	-	796,850	-
Student transportation	10,699,109	451,788	-	-
Noninstructional	6,831,871	24,075	-	-
AEA support	12,878,207	12,878,207	-	-
Interest on long-term debt	3,254,529	-	-	-
Total governmental activities	380,325,758	23,902,894	90,715,067	89,825
Business-type activities:				
School nutrition	13,730,822	2,945,912	11,553,467	-
Child care	3,055,421	3,053,866	-	-
Other	127,902	96,197	7,534	-
Total business-type activities	16,914,145	6,095,975	11,561,001	-
Total primary government	\$ 397,239,903	\$ 29,998,869	\$ 102,276,068	\$ 89,825

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

State sources, for general purposes

Gain on sale of capital assets

Total general revenues

Changes in net assets

Net assets, beginning of year

Net assets, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Totals
\$ (153,303,753)	\$ -	\$ (153,303,753)
(20,562,462)	-	(20,562,462)
(9,833,119)	-	(9,833,119)
(4,752,013)	-	(4,752,013)
(17,687,929)	-	(17,687,929)
(7,465,018)	-	(7,465,018)
(31,704,032)	-	(31,704,032)
(10,247,321)	-	(10,247,321)
(6,807,796)	-	(6,807,796)
-	-	-
(3,254,529)	-	(3,254,529)
(265,617,972)	-	(265,617,972)
-	768,557	768,557
-	(1,555)	(1,555)
-	(24,171)	(24,171)
-	742,831	742,831
(265,617,972)	742,831	(264,875,141)
95,287,091	-	95,287,091
9,881,280	-	9,881,280
6,716,504	-	6,716,504
857,952	-	857,952
24,730,755	-	24,730,755
151,836,554	-	151,836,554
835,448	-	835,448
1,130,782	-	1,130,782
76,686	-	76,686
370,163	-	370,163
291,723,215	-	291,723,215
26,105,243	742,831	26,848,074
358,974,112	175,476	359,149,588
\$ 385,079,355	\$ 918,307	\$ 385,997,662

Des Moines Independent Community School District

**Balance Sheet
Governmental Funds
June 30, 2011**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 67,562,420	\$ 6,130,009	\$ 16,535,694	\$ 90,228,123
Restricted cash and investments	-	47,175,749	1,635,729	48,811,478
Cash held with agent	-	6,008,006	-	6,008,006
Property taxes receivable - current year	1,571,609	-	283,064	1,854,673
Property taxes receivable - succeeding year	102,938,629	-	17,987,845	120,926,474
Interest receivable	364,926	-	-	364,926
Other receivables	256,772	-	18,274	275,046
Due from other governments	18,424,456	4,987,521	74,550	23,486,527
Inventories	538,005	-	-	538,005
Prepaid items	100,602	-	19,739	120,341
Total assets	\$ 191,757,419	\$ 64,301,285	\$ 36,554,895	\$ 292,613,599
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,691,383	\$ 6,167,872	\$ 1,149,636	\$ 10,008,891
Accrued payroll	27,177,760	-	15,699	27,193,459
Special termination benefits	212,780	-	2,443,349	2,656,129
Other current liabilities	393,836	1,317,974	3,815	1,715,625
Due to other governments	5,505,740	1,913	79,376	5,587,029
Deferred revenue	2,400,110	1,227,610	81,682	3,709,402
Unearned revenue	114,439,944	-	17,987,845	132,427,789
Compensated absences	332,664	-	-	332,664
Total liabilities	153,154,217	8,715,369	21,761,402	183,630,988
Fund balances:				
Nonspendable	638,607	-	-	638,607
Restricted	14,421,417	55,585,916	14,793,493	84,800,826
Committed	2,935,317	-	-	2,935,317
Unassigned	20,607,861	-	-	20,607,861
Total fund balances	38,603,202	55,585,916	14,793,493	108,982,611
Total liabilities and fund balances	\$ 191,757,419	\$ 64,301,285	\$ 36,554,895	\$ 292,613,599

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

**Reconciliation of Total Governmental Fund Balances to Net Assets
of Governmental Activities**

June 30, 2011

Total governmental fund balances		\$ 108,982,611
Amount reported for governmental activities in the statement of net assets are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Land	\$ 4,117,729	
Construction-in-progress	64,218,395	
Land improvements	9,980,731	
Buildings and improvements	376,270,270	
Vehicles, furniture and equipment	17,854,081	
Accumulated depreciation	<u>(113,708,479)</u>	358,732,727
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds - deferred revenue		
		3,709,402
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 assets.		
		9,657,907
Certain 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 liabilities at year-end consist of:		
Compensated absences	(3,128,588)	
Sales tax revenue bonds	(68,360,000)	
Deferred charges	446,483	
Bond premiums	(4,716,243)	
Accrued interest payable	(284,833)	
Claims payable for workers' compensation	(788,065)	
Retrospective insurance rating plan	(417,808)	
Other postemployment benefits	(7,009,000)	
Pollution remediation liability	(78,495)	
Special termination benefit	<u>(11,666,743)</u>	<u>(96,003,292)</u>
Net assets of governmental activities		\$ 385,079,355

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, 2011

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 95,287,091	\$ -	\$ 17,455,736	\$ 112,742,827
Other local sources	20,006,468	1,561,792	864,287	22,432,547
Sales tax, for capital projects	-	28,174,783	-	28,174,783
Investment earnings	220,248	86,713	528,487	835,448
Intermediate sources	425,109	-	-	425,109
State foundation aid	151,836,554	-	-	151,836,554
Other state sources	41,191,221	-	7,057	41,198,278
Federal sources	48,374,788	211,675	212,244	48,798,707
Student activities	52,718	-	2,565,703	2,618,421
Total revenues	357,394,197	30,034,963	21,633,514	409,062,674
Expenditures:				
Current:				
Instruction	228,296,337	-	7,158,057	235,454,394
Student services	19,507,841	-	339,246	19,847,087
Instructional support services	11,698,041	-	26,110	11,724,151
General administration	3,805,141	-	684,914	4,490,055
Building administration	16,924,711	-	497,893	17,422,604
Business and central administration	7,930,388	-	-	7,930,388
Plant operation and maintenance	29,801,608	-	1,717,637	31,519,245
Student transportation	8,534,359	-	1,290,979	9,825,338
Noninstructional	565,487	-	1,687,816	2,253,303
AEA support	12,878,207	-	-	12,878,207
Capital outlay	-	43,534,544	4,122,497	47,657,041
Debt service:				
Principal retirement	-	-	3,180,000	3,180,000
Interest	-	-	4,334,020	4,334,020
Total expenditures	339,942,120	43,534,544	25,039,169	408,515,833
Excess (deficiency) of revenues over expenditures	17,452,077	(13,499,581)	(3,405,655)	546,841
Other financing sources (uses):				
Proceeds from sale of capital assets	34,700	-	767,063	801,763
Transfers in	-	-	7,514,020	7,514,020
Transfers out	-	(5,953,500)	(1,560,520)	(7,514,020)
Total other financing sources (uses)	34,700	(5,953,500)	6,720,563	801,763
Net changes in fund balances	17,486,777	(19,453,081)	3,314,908	1,348,604
Fund balances, beginning of year	21,116,425	75,038,997	11,478,585	107,634,007
Fund balances, end of year	\$ 38,603,202	\$ 55,585,916	\$ 14,793,493	\$ 108,982,611

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, 2011**

Net change in fund balances - total governmental funds \$ 1,348,604

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	\$ 39,884,842	
Depreciation expense	(8,115,512)	
Proceeds from sale of capital assets	(801,763)	
Gain on sale of capital assets	370,163	31,337,730

Revenues in statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in deferred revenues (3,984,777)

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 assets. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the statement of activities:

Repayment of bond and note principal	3,180,000	
Amortization of premiums and bond issuance costs	503,170	3,683,170

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:

Increase in compensated absences	(179,467)	
Increase in retrospective insurance rating plan	(82,672)	
Decrease in interest expense	576,321	
Increase in claims payable for workers' compensation	(148,876)	
Increase in pollution remediation liability	(78,495)	
Increase in other postemployment benefits	(2,612,750)	
Increase in special termination benefits	(1,256,856)	(3,782,795)

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 assets in the internal service funds is reported with governmental activities in the statement of activities.

Change in net assets of governmental activities

(2,496,689)
\$ 26,105,243

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Net Assets

Proprietary Funds

June 30, 2011

	Nonmajor Enterprise Funds	Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 50	\$ 13,428,714
Other receivables, net of allowances for uncollectible of \$85,208	209,739	-
Due from other governments	183,850	-
Due from other funds	-	806,295
Assets held for sale	32,047	-
Inventories	319,177	45,969
Prepaid items	1,170	5,000
Total current assets	746,033	14,285,978
Noncurrent assets:		
Advances to other funds	176,527	579,246
Depreciable capital assets, net	2,283,505	88,249
Total noncurrent assets	2,460,032	667,495
Total assets	\$ 3,206,065	\$ 14,953,473
Liabilities		
Current liabilities:		
Accounts payable	\$ 200,568	\$ 236,320
Claims payable	-	4,904,523
Accrued payroll	261,389	2,166
Due to other governments	850	-
Due to other funds	806,295	-
Unearned revenue	133,344	60,359
Compensated absences	156,213	8,496
Total current liabilities	1,558,659	5,211,864
Noncurrent liabilities:		
Advances from other funds	677,879	77,894
Compensated absences	51,220	5,808
Total noncurrent liabilities	729,099	83,702
Total liabilities	2,287,758	5,295,566
Net Assets		
Invested in capital assets	2,283,505	88,249
Unrestricted (deficit)	(1,365,198)	9,569,658
Total net assets	918,307	9,657,907
Total liabilities and net assets	\$ 3,206,065	\$ 14,953,473

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds

Year Ended June 30, 2011

	Nonmajor Enterprise Funds	Internal Service Funds
Operating revenues:		
Student activities	\$ 33,514	\$ -
Charges for services:		
Employee benefits	-	46,384,266
Sale of food	2,945,912	-
Child care	3,053,866	-
Miscellaneous	62,683	349,928
Total operating revenues	6,095,975	46,734,194
Operating expenses:		
Student services	13,372,644	-
Depreciation	388,351	11,670
Community services	3,130,866	-
Claims and related costs	-	48,902,551
Miscellaneous	-	316,662
Total operating expenses	16,891,861	49,230,883
Operating (loss)	(10,795,886)	(2,496,689)
Nonoperating revenues (expenses):		
Other local sources	61,549	-
State sources	116,327	-
Federal sources	11,383,125	-
Loss on disposal of asset held for resale	(22,284)	-
Total nonoperating revenues	11,538,717	-
Changes in net assets	742,831	(2,496,689)
Total net assets, beginning of year	175,476	12,154,596
Total net assets, end of year	\$ 918,307	\$ 9,657,907

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Cash Flows Proprietary Funds Year Ended June 30, 2011

	Nonmajor Enterprise Funds	Internal Service Funds
Cash flows from operating activities:		
Cash received from user charges	\$ 6,107,561	\$ 46,717,029
Cash payments to employees for services	(9,670,663)	(207,245)
Cash payments to suppliers for goods and services	(5,864,339)	(49,005,087)
Net cash (used in) operating activities	(9,427,441)	(2,495,303)
Cash flows from noncapital financing activities:		
Payments from other funds	21,270	1,122,326
Payments to other funds	(1,138,934)	(4,662)
Grants and donations received	10,827,535	-
Net cash provided by noncapital financing activities	9,709,871	1,117,664
Cash flows from capital and related financing activities, acquisition of capital assets		
	(282,430)	-
Net (decrease) in cash and cash equivalents	-	(1,377,639)
Cash and cash equivalents, beginning of year	50	14,806,353
Cash and cash equivalents, end of year	<u>\$ 50</u>	<u>\$ 13,428,714</u>
Reconciliation of operating (loss) to net cash (used in) operating activities:		
Operating (loss)	\$ (10,795,886)	\$ (2,496,689)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation	388,351	11,670
Commodities used	888,337	-
Changes in assets and liabilities:		
Receivables	54,969	-
Inventories	(47,780)	4,570
Prepaid items	(771)	(5,000)
Accounts payable and due to other governments	162,432	(27,988)
Claims payable	-	41,662
Unearned revenue	(43,383)	(17,165)
Accrued liabilities	(33,710)	(6,363)
Net cash (used in) operating activities	\$ (9,427,441)	\$ (2,495,303)
Noncash items, noncapital financing activities:		
Commodities received from the U.S. Department of Agriculture	\$ 888,337	\$ -
Change in due from other governments	154,871	-
Change in due from other funds	21,270	1,113,002
Change in due to other funds	(1,138,934)	(4,662)

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2011

	Pension Trust	Private Purpose Trust	Agency
Assets			
Cash and cash equivalents	\$ -	\$ 686,930	\$ 107,289
Investments:			
Money market	5,750,353	-	-
U.S. government securities	1,577,235	4,478	-
Corporate equities	27,400,294	-	-
Mortgage-backed securities	36,691,516	-	-
Corporate obligations	73,547,057	-	-
Preferred stock	14,570,644	-	-
Municipal bonds	67,775,702	-	-
Other fixed income	2,284,520	-	-
Interest receivable	2,748,566	-	-
Other receivables	-	1,500	-
Total assets	\$ 232,345,887	\$ 692,908	\$ 107,289
Liabilities			
Accounts payable	\$ -	\$ -	\$ 2,308
Due to other governmental units	-	-	104,981
Total liabilities	-	-	\$ 107,289
Net Assets			
Held in trust for:			
Employees' pension benefits	232,345,887	-	
Scholarships	-	692,908	
Total net assets	232,345,887	692,908	
Total liabilities and net assets	\$ 232,345,887	\$ 692,908	

See Notes to Basic Financial Statements.

Des Moines Independent Community School District

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

Year Ended June 30, 2011

	Pension Trust	Private Purpose Trust
Additions:		
Contributions:		
Employer	\$ 2,161,436	\$ -
Employee	1,841,038	-
Private source	-	2,700
Total contributions	4,002,474	2,700
Investment earnings:		
Net increase in fair value of investments	6,188,218	-
Class action settlements	13,282	-
Interest	9,989,724	1,167
Dividends	1,833,764	-
Total investment earnings	18,024,988	1,167
Less investment expense	137,906	-
Net investment earnings	17,887,082	1,167
Total additions	21,889,556	3,867
Deductions:		
Benefit payments	13,692,936	-
Resignation refunds	101,558	-
Death settlements	71,987	-
Scholarship awarded	-	12,900
Administrative costs	120,669	-
Other	-	144
Total deductions	13,987,150	13,044
Changes in net assets	7,902,406	(9,177)
Net assets, beginning of year	224,443,481	702,085
Net assets, end of year	\$ 232,345,887	\$ 692,908

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 (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 Education (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 Governmental Accounting Standards Board (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, the GASB issued Statement No. 39, in May 2002, which sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the 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 and should be included in these 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 (Continued)

Significant accounting policies:

Government-wide financial statements: The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of 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 assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets.

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 properly 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, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The District has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following 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: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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.

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 report 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 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 298.3.

Public Education and Recreation Levy (PERL) Fund: This fund is authorized by Iowa Code 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 organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds: 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. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the District has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements. The District has elected not to apply FASB guidance subsequent to November 30, 1989.

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 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 298A.12 and 279.49.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Preschool Fund: This fund accounted for transactions for preschool programs with an instructional component for children who have not yet met the age requirement for school-aged education. The state now provides free preschool to four year olds and program activities are now accounted for in the General Fund.

Home Remodeling Fund: This fund accounts for transactions for the home building/remodeling 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.

Wellness Center Fund: This fund accounts for transactions for facilities and services provided for the physical wellness of District employees and outside customers.

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 defined contribution 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 comprised mainly of scholarship funds to benefit students.

Agency Funds: These funds account 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 these funds.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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 government considers revenues to be available if they are collected within 60 days after year-end.

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 and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital 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.

Investments: The investments are stated at fair value. Short-term investments, which consist of nonnegotiable certificates of deposit, are reported at cost, which approximates fair value. Securities traded in a national or international exchange are valued at the last reported sales price at the current exchange rates.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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

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 Education.

Current year property tax receivable represents unpaid taxes related to the April 2010 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, 2009 assessed property valuations and is revenue for fiscal year ended June 30, 2011.

The succeeding year property tax receivable represents taxes certified by the Board of Education in April 2011. 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 unearned in both the government-wide and fund financial statements and will not be recognized as revenue until the year ended June 30, 2012, 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.

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 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.

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 or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

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.

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. Earned but unpaid payroll as of June 30, 2011, has also been accrued as a liability as of June 30, 2011.

Deferred and unearned revenue: Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Unearned revenue in the statement of net assets and in the governmental fund financial statements, consists of the succeeding year's property tax receivable that will not be recognized as revenue until the year for which it is levied and 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 while discounts on debt issuances are reported as other financing uses. Principal payments and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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. The authority to assign fund balance has been delegated to the Chief Financial Officer and Director/Controller.

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.

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 assets: Net assets represent the difference between assets and liabilities in the Government-wide financial statements. Net assets invested in capital assets, net of related debt, 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 assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Unspent debt proceeds (which includes proceeds reserved for debt retirement) for the Capital Projects Fund was \$53,183,755. Net assets are 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 assets restricted through enabling legislation as of June 30, 2011 consists of \$2,387,192 for management levy, \$7,151,918 for physical plant and equipment levy, \$247,135 for public education and recreation levy, and \$2,402,161 for sales tax levy.

Donor restricted net assets include \$2,516,107 for net assets in the DMPS (Expendable Trust) Fund which is to be used mainly for the Smouse School and \$11,538 in the Permanent Fund to be used for teacher education and training.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

Net assets restricted for other purposes consist of \$14,421,417 restricted for various grants and Medicaid programs.

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

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

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

Note 2. 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, Preschool Fund and Collage Fund had deficit balances as of June 30, 2011, of \$255,327, \$677,879 and \$77,962, respectively. In past years, all child care and preschool programs were reported as one fund. For many years, the child care programs operated and maintained a surplus, while preschool programs maintained a deficit. When combined into one fund, these programs in the aggregate showed an overall surplus. During fiscal year 2007, the State Department of Education mandated that child care programs be accounted for as two separate funds, Preschool and Child Care. The deficit balance in the Preschool Fund is now shown separately. The state now provides free preschool to four year olds and program activities have been accounted for in the General Fund since fiscal year 2007. Therefore, the District plans to eliminate the remaining negative balance in the Preschool Enterprise Fund when the Child Care Enterprise Fund is able to absorb the balance. For several years, the negative balance in the Collage Fund was decreasing. The District will analyze the fund's 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, 2011, the District's cash, cash equivalents and investments (including fiduciary fund assets) were as follows:

Cash and other deposits	\$	89,695,213
Investments, primarily pension trust		293,169,170
	\$	<u>382,864,383</u>

In addition, the District has cash held with agent of \$6,008,006.

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.

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. As of June 30, 2011, all District investments in corporate bonds and stocks were held by the DMTRS or represent stock donated to special revenue and fiduciary funds. All the District investments, other than donated investments and DMTRS investments, are held in securities backed by the U.S. Government or its agencies.

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.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

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	\$ 1,637,682	N/A	N/A	N/A	N/A
U.S. Government securities	1,954,377	\$ 1,951,852	\$ 2,525	\$ -	\$ -
Certificate of deposit	10,000,000	10,000,000	-	-	-
Fixed income securities	49,979,790	49,979,790	-	-	-
	<u>\$ 63,571,849</u>	<u>\$ 61,931,642</u>	<u>\$ 2,525</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
Money Market Mutual Funds	\$ 5,750,353	\$ 5,750,353	\$ -	\$ -	\$ -
U.S. Government securities	1,577,235	-	-	-	1,577,235
Corporate equities	27,400,294	N/A	N/A	N/A	N/A
Mortgage-backed securities	36,691,516	-	22,546	179,071	36,489,899
Corporate obligations	73,547,057	6,203,110	7,643,290	17,559,210	42,141,447
Preferred stock	14,570,644	N/A	N/A	N/A	N/A
Municipal bonds	67,775,702	-	-	3,546,580	64,229,122
Other fixed income	2,284,520	-	1,152,340	-	1,132,180
	<u>\$ 229,597,321</u>	<u>\$ 11,953,463</u>	<u>\$ 8,818,176</u>	<u>\$ 21,284,861</u>	<u>\$ 145,569,883</u>

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

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.

As of June 30, 2011, the District's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor's Services
Des Moines Teachers' Retirement System (DMTRS)		
Money Market Mutual Funds:		
WELLS FARGO SHORT-TERM INVESTMENT FUND G	Not Rated	Not Rated
U.S. Government Securities:		
FED FARM CREDIT BK	AAA	AAA
Corporate Equities		
	Not Rated	Not Rated
Mortgage-Backed Securities:		
FED HOME LN MTG CORP POOL	Not Rated	Not Rated
FED NATL MTG ASSN POOL	Not Rated	Not Rated
GOVT NATL MTG ASSN	Not Rated	Not Rated
GOVT NATL MTG ASSN POOL	Not Rated	Not Rated
SMALL BUSINESS ADMINISTRATION	Not Rated	Not Rated
FED HOME LN MTG CORP MULTICLASS MTG PARTN CTFS	Not Rated	Not Rated
FED HOME LN MTG CORP	Not Rated	Not Rated
FED NATL MTG ASSN	Not Rated	Not Rated
PAINWEBBER CMO TR SER H COLL MTG OBLIG	Not Rated	Not Rated
SMALL BUSINESS ADMINISTRATION	Not Rated	Not Rated
Corporate Obligations:		
AMERICA MOVIL SAB DE CV DTD 03/30/10 5.000 03/30/2020	A-	A2
AMERICAN EXPRESS DTD 03/19/08 7.000 03/19/2018	BBB+	A3
ANHEUSER BUSCH COS INC DATED 01/12/98	A-	BAA1
APACHE CORP DTD 08/20/10 5.100 09/01/2040	A-	A3
ARCHER DANIELS MIDLAND CO DTD 04/23/99 6.625 05/01/2029	A	A2
BP CAPITAL MARKETS PLC DTD 03/11/11 4.742 03/11/2021	A	A2
BAC CAPITAL TRUST XI DTD 05/23/06 6.625 05/23/2036	BB+	BAA3
BAKER HUGHES INC DTD 07/15/99 6.875 01/15/2029	A	A2
BARCLAYS BANK PLC DTD 01/08/10 5.125 01/08/2020	AA-	AA3
BOEING CAP CORP DTD 07/25/02 5.800 01/15/2013	A	A2
BRISTOL-MYERS SQUIBB DTD 05/01/08 6.125 05/01/2038	A+	A2
CALIFORNIA WATER SERVICE DTD 04/17/09 5.875 05/01/2019	AA-	N/A
CATERPILLAR DTD 07/20/98 6.625 07/15/2028	A	A2
CATERPILLAR FIN SERV CRP DTD 09/26/08 7.050 10/01/2018	A	A2
CISCO SYSTEMS INC DTD 11/17/09 5.500 01/15/2040	A+	A1

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Investment Type	Standard & Poor's	Moody's Investor's Services
CITIGROUP INC DTD 08/15/2007 6.000 08/15/2017	A	A3
CITIGROUP INC DTD 08/09/10 5.375 08/09/2020	A	A3
COMERICA BANK DTD 07/26/94 8.375 07/15/2024	A-	A2
CONOCOPHILLIPS DTD 02/03/09 5.750 02/01/2019	A	A1
CONSOLIDATED EDISON CO N Y IDEB DTD 03/10/05 5.300 03/01/2035	A-	A3
TARGET CORP DTD 01/01/98 6.750 01/01/2028	A+	A2
DEERE & CO DTD 04/17/02 6.950 04/25/2014	A	A2
DIAGEO CAP PLC DTD 09/28/06 5.875 09/30/2036	A-	A3
DUKE ENERGY CORP DTD 10/08/02 6.450 10/15/2032	A-	A3
EATON CORP DTD 03/16/09 6.950 03/20/2019	A-	A3
EMERSON ELECTRIC CO DTD 04/17/09 6.125 04/15/2039	A	A2
FLORIDA POWER CORP DTD 03/25/10 5.650 04/01/2040	A	A2
GE CAPITAL FRANCHISE FIN MED TERM NOTE	AA+	AA2
GENERAL ELEC CAP CORP TRANCHE # TR 00575	AA+	AA2
GEORGIA POWER COMPANY DTD 08/31/10 4.750 09/01/2040	A	A3
GOLDMAN SACHS GROUP INC DTD 01/10/02 6.600 01/15/2012	A	A1
INTERNATIONAL BUSINESS MACHS DTD 08/01/97	A+	AA3
INTL LEASE FINANCE CORP DTD 04/29/03 5.875 05/01/2013	BBB-	B1
J P MORGAN CHASE & CO DTD 03/13/02 6.625 03/15/2012	A	A1
JP MORGAN CHASE BANK SER BKNT	A+	AA2
JPM CHASE CAPITAL XXII SER V	BBB+	A2
ELI LILLY & CO DTD 03/14/07 5.550 03/15/2037	AA-	A2
LOWE'S COMPANIES INC DTD 02/23/99 6.500 03/15/2029	A	A1
MCDONALD'S CORP DTD 10/18/07 6.300 10/15/2037	A	A2
MERCK & CO INC DTD 11/30/98 5.950 12/01/2028	AA	AA3
METLIFE INC DTD 12/10/02 6.500 12/15/2032	A-	A3
METLIFE INC DTD 08/06/10 4.750 02/08/2021	A-	A3
NATIONAL RURAL UTILS DTD 03/07/02 7.250 03/01/2012	A	A2
ORACLE CORP DTD 04/09/08 5.750 04/15/2018	A	A1
PNC FUNDING CORP DTD 02/08/10 5.125 02/08/2020	A	A3
PACIFIC BELL DTD 10/15/93 6.625 10/15/2034	A-	A2
PACIFICORP DTD 01/08/09 6.000 01/15/2039	A	A2
PEPSICO INC DTD 10/26/10 4.875 11/01/2040	A-	AA3
PRUDENTIAL FINANCIAL INC MED TERM NOTE SER NOT1	A	BAA2
SHELL INTERNATIONAL FIN DTD 03/25/10 5.500 03/25/2040	AA	AA1
SIMON PROPERTY GROUP LP DTD 05/15/06 6.100 05/01/2016	A-	A3
TARGET CORP DTD 07/14/06 5.875 07/15/2016	A+	A2
TRANS-CANADA PIPELINES DTD 09/23/10 3.800 10/01/2020	A-	A3
TRAVELERS COS INC DTD 06/02/09 5.900 06/02/2019	A-	A2
UNITED TECH CORP DTD 04/29/05 5.400 05/01/2035	A	A2
VERIZON NEW JERSEY INC DTD 01/22/02 5.875 01/17/2012	A-	WR
VIRGINIA ELECTRIC POWER DTD 05/17/07 6.000 05/15/2037	A-	A3
WAL-MART STORES INC DTD 04/05/07 5.875 04/05/2027	AA	AA2
WAL-MART STORES INC DTD 04/15/08 6.200 04/15/2038	AA	AA2
WELLS FARGO & CO DTD 02/07/05 5.375 02/07/2035	AA-	A1

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Investment Type	Standard & Poor's	Moody's Investor's Services
Preferred Stock:		
AT&T INC	A-	A2
ALABAMA POWER CO	A	A2
FED NATL MTG ASSN 8.250% PFD SER S	C	E+
FIFTH THIRD CAPITAL TRUS	BB	Baa3
GENERAL ELECT CAP CORP	AA+	Aa2
GEORGIA POWER COMPANY	A	A3
HARRIS CAPITAL 7.375% SER A PFD	A-	Baa1
MERRILL LYNCH CAP TRST I	BB+	Ba1
ML CAPITAL TRUST IV 7.12% PFD	BB+	Ba1
MORGAN STANLEY CAP TR VII CAP SECS 01/01/2046	BB+	Baa2
MORGAN STANLEY CAP TRUST	BB+	Baa2
USB CAPITAL XI	BBB+	A2
WELLS FARGO CAPITAL XII	A-	Baa1
WESTAR ENERGY INC	BBB+	Baa3
Municipal Bonds:		
ALDERWOOD WASH WTR & BUILD AMERICA BONDS-SER B-ALDE	AA+	AA2
ANDERSON CNTY S C SCH DIST NO BUILD AMERICA BONDS SER A	AA	AA1
ANNE ARUNDEL CNTY MD BUILD AMERICA BONDS-ANNE ARUND	AAA	AA1
BEAUFORT CNTY S C SER B	AA+	AA1
BEAUMONT TEX WTRWKS & SWR SYS BUILD AMERICA BONDS-TAXABLE-SE	N/R	AA3
BEXAR CNTY TEX BUILD AMERICA BONDS	AA+	AAA
BEXAR CNTY TEX REV TAXABLE-REF-VENUE PROJ-SER B	AA+	AA1
BURLINGTON CNTY N J TAXABLE	AA+	AA2
CEDAR RAPIDS IOWA BUILD AMERICA BONDS-SER A	Not Rated	AAA
CENTENNIAL INDPT SCH DIST NO 0 DTD 05/01/09 5.750 02/01/2028	AAA	Not Rated
CHEROKEE CNTY GA SCH SYS BUILD AMERICA BONDS	AA+	AA1
CHESAPEAKE VA BUILD AMERICA BONDS	AA+	AA1
COLUMBUS OHIO BUILD AMERICA BONDS COLUMBUS O	AAA	AAA
CONCORD NH SCH DIST BUILD AMERICA BONDS	AA-	AA2
CONNECTICUT ST BUILD AMERICA BONDS-RECOVERY Z	AA	AA2
CRYSTAL LAKE ILL BUILD AMERICA BONDS-RECOVERY Z	AA+	AA1
CUMBERLAND CNTY N J IMPT AUTH BUILD AMERICA BONDS-ISSUER SUB	AA	Not Rated
CUYAHOGA CNTY OHIO BUILD AMERICA BONDS-TAXABLE-VA	AA+	AA1
DAVIS CNTY UTAH SCH DIST BUILD AMERICA BONDS-TAXABLE	Not Rated	AAA
DELAWARE ST BUILD AMERICA BONDS	AAA	AAA
DENVER COLO CITY & CNTY WTR CO BUILD AMERICA BONDS-SER A	AAA	AA1
DES MOINES IOWA BUILD AMERICA BONDS-SER E	AAA	AA1
DORCHESTER CNTY MD BUILD AMERICA BONDS-DORCHESTER	A+	AA3
DORCHESTER CNTY S C BUILD AMERICA BONDS	AA-	AA2
DOWNTOWN SAVANNAH AUTH GA REV BUILD AMERICA BONDS-CAP IMPT-C	AA	AA2
DU PAGE COOK & WILL CNTYS ILL BUILD AMERICA BONDS-TAXABLE-SE	AAA	AAA
DU PAGE CNTY ILL CMNTY UNIT SC DTD 05/01/09 5.400 10/01/2020	AA+	AA3
FAIRFAX CNTY VA BUILD AMERICA BONDS-SER E-TAXA	AAA	AAA
FRISCO TEX TAXABLE-CTFS OBLIG-SER B	AA+	AA1

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Investment Type	Standard & Poor's	Moody's Investor's Services
GASTON CNTY N C BUILD AMERICA BONDS-SER B	AA-	AA2
GRANT CNTY WASH PUB UTIL DIST REF-TAXABLE-SER M	AA-	AA3
GWINNETT CNTY GA DEV AUTH REV TAXABLE-GWINNETT STADIUM PROJ	AAA	AAA
HAWAII ST BUILD AMERICA BONDS-TAXABLE-SE	AA	AA2
HIGH POINT N C TAXABLE-PUB IMPT-SER B-BUILD	AAA	AA1
JOHNSON CNTY KANS UNI SCH DIST BUILD AMERICA BONDS-SER A-TXB	AA	AA2
KENOSHA WIS REF-TAXABLE	AA	AA2
KLEIN TEX INDPT SCH DIST BUILD AMERICA BONDS-TAXABLE-SE	AAA	AAA
KNOX CNTY TENN TAXABLE	AA+	AA1
LEXINGTON & RICHLAND CNTYS S C BUILD AMERICA BONDS-SER B	AA	AA1
LEXINGTON CNTY S C SCH DIST NO BUILD AMERICA BONDS	AA	AA1
LINCOLN WEST HAYMARKET NEB JT BUILD AMERICA BONDS	AAA	AA1
LINDBERGH MO SCH DIST BUILD AMERICA BONDS-TAXABLE-SE	Not Rated	AA1
LOUDOUN CNTY VA BUILD AMERICA BONDS	AAA	AAA
MAHTOMEDI MINN INDPT SCH DIST BUILD AMERICA BONDS-SCH BLDG-S	AAA	Not Rated
MANCHESTER N H BUILD AMERICA BONDS RECOVERY ZONE	AA+	AA1
MERAMEC VY SCH DIST NO R-111 M BUILD AMERICA BONDS-TAXABLE-MO	AA+	Not Rated
MESA ARIZ UTIL SYS REV BUILD AMERICA BONDS	AA-	AA2
METRO WASTEWTR RECLAMATION DIS BUILD AMERICA BONDS-TAXABLE-B	AAA	AA1
MISSISSIPPI ST BUILD AMERICA BONDS-TAXABLE-SE	AA	AA2
MISSOURI ST DEV FIN BRD INFRASTRUCTURE FACS REV DTD	A-	Not Rated
MONTGOMERY CNTY TEX BUILD AMERICA BONDS	AA	AA2
NEVADA ST BUILD AMERICA BONDS-TAXABLE-CA	AA	AA2
O FALLON ILL BUILD AMERICA BONDS-TAXABLE-SE	AA+	Not Rated
OHIO ST BUILD AMERICA BONDS-TAXABLE-CO	AA+	AA1
PALATINE ILL SER C	AA+	AA1
PALATINE ILL BUILD AMERICA BONDS-SER C	AA+	AA1
PENNSYLVANIA ST TPK COMMN TPK SER A2	AA+	AA3
PORTSMOUTH VA BUILD AMERICA BONDS-SER B	AA	AA2
RALEIGH N C TAXABLE-HSG-SER C	AAA	AAA
RICE CNTY MINN BUILD AMERICA BONDS-TAXABLE-CA	AA	Not Rated
RILEY CNTY KANS UNI SCH DIST BUILD AMERICA BONDS-TXB	Not Rated	AA2
ST LOUIS MO MUN FIN CORP LEASEHOLD REV	AA+	AA3
ST MARYS CNTY MD BUILD AMERICA BONDS	AA	AA2
SALT LAKE CNTY UTAH BUILD AMERICA BONDS-TAXABLE-SE	AAA	AAA
SAN ANTONIO TEX WTR REV BUILD AMERICA BONDS-TAXABLE-SE	AA	AA1
SANFORD N C ENTERPRISE SYS REV RECOVERY ZONE ECONOMIC DEVELOP	Not Rated	AA3
SCOTT CNTY MINN BUILD AMERICA BONDS-CAP IMPT-S	AA	Not Rated
SEATTLE WASH WTR SYS REV BUILD AMERICA BONDS-TAXABLE-SE	AA+	AA1
SOUTHERN ILL UNIV REVS BUILD AMERICA BONDS-HSG & AUXI	AA+	AA3
SPOTSYLVANIA CNTY VA BUILD AMERICA BONDS	AA+	AA2
SPOTSYLVANIA CNTY VA WTR & SWR BUILD AMERICA BONDS-SER B	AA	AA3
STAMFORD CONN BUILD AMERICA BONDS	AAA	AA1
SUFFOLK VA BUILD AMERICA BONDS	AA+	AA2
SUPERIOR WIS SCH DIST REF-TAXABLE	AA-	Not Rated

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Investment Type	Standard & Poor's	Moody's Investor's Services
UNIVERSITY MD SYS AUXILIARY FA BUILD AMERICA BONDS	AA+	AA1
UNIVERSITY MINN TAXABLE-SER B	AA	AA1
UNIVERSITY MINN BUILD AMERICA BONDS-TXBL	AA	AA1
VILLA PARK ILL BUILD AMERICA BONDS-TAXABLE-AL	AA	Not Rated
VIRGINIA BEACH VA WTR & SWR RE BUILD AMERICA BONDS	AAA	AA2
WASHINGTON SUBN SAN DIST MD BUILD AMERICA BOND-SER B	AAA	AAA
WISCONSIN ST BUILD AMERICA BONDS TAXABLE SE	AA	AA2
Other Fixed Income Securities:		
PRUDENTIAL INSURANCE CO 144A PRIV PLCMT 8.100 07/15/2015	A	BAA1
SIEMENS FINANCIAL 144A PRIV PLCMT 6.125 08/17/2026	A+	A1
Investments (excluding DMTRS)		
Corporate Equities - Donated	Not Rated	Not Rated
U.S. Government Securities:		
TREASURY STRIP	AAA	AAA
U.S. TREASURY BOND	AAA	AAA
Fixed Income Securities:		
FEDERAL HOME LOAN BANKS BOND	AA+	Aaa

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 in mortgage-backed securities with Federal National Mortgage Association. These investments are 7.35 percent 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.

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. 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. 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, 2011, 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.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Concluded)

As of June 30, 2011, 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

Individual interfund receivable and payable balances as of June 30, 2011 are as follows:

	Due From Other Funds	Due To Other Funds
Nonmajor enterprise funds	\$ -	\$ 806,295
Internal service funds	806,295	-
	<u>\$ 806,295</u>	<u>\$ 806,295</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.

	Advances To Other Funds	Advances From Other Funds
Nonmajor enterprise funds	\$ 176,527	\$ 677,879
Internal service funds	579,246	77,894
	<u>\$ 755,773</u>	<u>\$ 755,773</u>

The \$677,879 in the nonmajor enterprise funds is attributable to the Preschool fund. This balance will be resolved when the related Child Care fund becomes solvent enough to absorb the balance.

The \$77,894 in the Internal Service funds is attributable to the Collage fund. This advance will be repaid once the fund becomes solvent.

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 fund, capital projects fund	\$ -	\$ 5,953,500
Nonmajor funds, governmental funds	7,514,020	1,560,520
	<u>\$ 7,514,020</u>	<u>\$ 7,514,020</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.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 5. Capital Assets

A summary of capital asset activity for the year ended June 30, 2011 is as follows:

Governmental Activities	Beginning Balance	Additions and Transfers In	Deletions and Transfers Out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,119,094	\$ -	\$ 1,365	\$ 4,117,729
Construction-in-progress	44,804,743	37,508,975	18,095,323	64,218,395
Total capital assets, not being depreciated	48,923,837	37,508,975	18,096,688	68,336,124
Capital assets, being depreciated:				
Land improvements	8,914,142	1,145,406	78,817	9,980,731
Buildings and improvements	360,468,041	17,077,329	1,275,100	376,270,270
Vehicles, furniture and equipment	16,400,242	2,248,455	585,666	18,063,031
Total capital assets, being depreciated	385,782,425	20,471,190	1,939,583	404,314,032
Less accumulated depreciation for:				
Land improvements	(6,612,718)	(182,242)	(48,045)	(6,746,915)
Buildings and improvements	(91,092,286)	(6,563,411)	(956,334)	(96,699,363)
Vehicles, furniture and equipment	(9,506,342)	(1,381,529)	(504,969)	(10,382,902)
Total accumulated depreciation	(107,211,346)	(8,127,182)	(1,509,348)	(113,829,180)
Total capital assets, being depreciated, net	278,571,079	12,344,008	430,235	290,484,852
Governmental activities capital assets, net	\$ 327,494,916	\$ 49,852,983	\$ 18,526,923	\$ 358,820,976
Business-Type Activities				
Capital assets, being depreciated:				
Vehicles, furniture and equipment	\$ 5,526,850	\$ 282,430	\$ 565,911	\$ 5,243,369
Less accumulated depreciation	(3,115,140)	(388,351)	(543,627)	(2,959,864)
Business-type activities capital assets, net	\$ 2,411,710	\$ (105,921)	\$ 22,284	\$ 2,283,505

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 5. Capital Assets (Concluded)

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

Governmental activities:	
Instruction	\$ 6,847,679
Noninstructional	136,602
Central support services	223,414
Plant operation and maintenance	140,862
Student transportation	766,955
Capital assets held by governments internal service funds are charged to the various functions based on their usage of the assets	11,670
Total	\$ 8,127,182
Business-type activities, school nutrition	\$ 388,351

As of June 30, 2011, seven schools with a combined net book value of approximately \$953,000, were idle and considered impaired.

Note 6. Noncurrent Liabilities and Notes Payable

The following is a summary of changes in bonded and other long-term debt for the year ended June 30, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital loan notes	\$ 540,000	\$ -	\$ 540,000	\$ -	\$ -
Qualified zone academy bonds	1,000,000	-	1,000,000	-	-
Sales tax revenue bonds	70,000,000	-	1,640,000	68,360,000	2,590,000
Retrospective insurance rating plan	335,136	397,327	314,655	417,808	-
Special termination benefits	13,030,777	5,574,676	4,282,581	14,322,872	4,676,314
Compensated absences	3,559,438	2,459,297	2,543,179	3,475,556	2,513,717
Long-term liabilities	\$ 88,465,351	\$ 8,431,300	\$ 10,320,415	\$ 86,576,236	\$ 9,780,031
Business-type activities, compensated absences	\$ 199,366	\$ 8,067	\$ -	\$ 207,433	\$ 156,213

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. 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 10 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 \$5,953,500 and \$28,174,783, respectively.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 6. Noncurrent Liabilities and Notes Payable (Concluded)

Annual debt service requirements to maturity as of June 30, 2011 are summarized as follows:

Year Ending June 30:	Governmental Activities		
	Principal	Interest	Total
2012	\$ 2,590,000	\$ 3,418,000	\$ 6,008,000
2013	2,685,000	3,288,500	5,973,500
2014	2,780,000	3,154,250	5,934,250
2015	2,885,000	3,015,250	5,900,250
2016	2,985,000	2,871,000	5,856,000
2017 - 2021	17,040,000	11,981,250	29,021,250
2022 - 2026	21,570,000	7,298,500	28,868,500
2027 - 2029	15,825,000	1,610,250	17,435,250
Total	\$ 68,360,000	\$ 36,637,000	\$ 104,997,000

As of June 30, 2011, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	\$ 11,129,933,077
Debt limit of 5% of total assessed valuation	\$ 556,496,654
Amount of debt applicable to debt limit, total general obligation bonded debt	68,360,000
Excess of debt limit over bonded debt issued, legal debt margin	\$ 488,136,654

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.

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, 2011, the District has \$2,443,349 accrued in the Management Fund, \$212,780 accrued in the General Fund relating to employees over age 65 as they are considered due, plus an additional amount not considered due of \$11,666,743 recorded only in the government-wide financial statements. The current year cost to the District was \$4,282,581 which consisted of 106 participants in the plan.

Des Moines Independent Community School District

Notes to Basic Financial Statements

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, 2011, the District was involved in construction projects with an estimated cost to complete the construction projects of \$21,285,000.

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 (the allocation is 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.

Liabilities of the fund are reported when 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,	
	2011	2010
Unpaid claims, beginning of year	\$ 4,862,861	\$ 4,485,806
Current year claims and changes in estimates	48,113,948	46,435,049
Claim payments	(48,072,286)	(46,057,994)
Unpaid claims, end of year	<u>\$ 4,904,523</u>	<u>\$ 4,862,861</u>

As of June 30, 2011, the unpaid claims payable of \$4,904,523 is net of \$437,803 of reimbursement receivable that the District expects to receive as it has exceeded its individual stop-loss amount. A total of \$437,803 reinsurance revenue to be received is recorded with claims expense of \$48,113,948.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 8. Risk Management (Concluded)

The District self insures its workers' compensation exposures. As of June 30, 2011, the amount of liabilities recorded for estimated claims payable for workers' compensation was \$1,299,926 of which \$511,861 was recorded in the Management Fund, a nonmajor governmental fund, and \$788,065 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 individual. 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,	
	2011	2010
Unpaid claims, beginning of year	\$ 839,231	\$ 742,948
Current year claims and changes in estimates	2,565,485	2,020,599
Claim payments	(2,104,790)	(1,924,316)
Unpaid claims, end of year	<u>\$ 1,299,926</u>	<u>\$ 839,231</u>

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, 2011, 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 \$417,808. 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 and a \$500 deductible on auto insurance for automobiles specifically used for driver's education. 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:

The District contributes to the Iowa Public Employees' Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the state of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. All District employees, other than teachers and administrators, participate in IPERS. Teachers and administrators may choose to participate in the Des Moines Teachers' Retirement System in lieu of IPERS.

IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117. Details of the plan are provided on a system-wide basis.

Plan members are required to contribute 4.50 percent of their annual salary and the District is required to contribute 6.95 percent of annual covered salaries. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$12,599,247, \$12,066,415 and \$11,531,747 respectively, equal to the required contributions for each year.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 9. Retirement Systems (Concluded)

Des Moines Teachers' Retirement System:

The Des Moines Teachers' Retirement System is a single employer defined contribution plan that provides pension benefits for all eligible District employees. The Des Moines Teachers' Retirement System was established as of July 1, 1953, in accordance with Sections 294.8 through 294.10 of the Code of Iowa. 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. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who possess professional qualifications as a requirement for their position of employment, such as a teacher's certificate to be a teacher, are permitted to participate from the date of their employment. There are 1,499 active and retired participants as of June 30, 2011. The plan requires the employees to contribute a varying percentage of their base pay, from 5.11 percent to 7.94 percent, with the percentage actuarially determined based on the age of the employee upon entrance into the plan. The District's contribution is to be 112 percent (and 150 percent of each percentage contribution increase after July 1, 2007) of the amount contributed by the employee. District contributions for each employee vest after four years of service at 100 percent. At age 55, District contributions are vested at 112/150 percent. The total payroll for employees covered by the System for the year ended June 30, 2011 was \$32,622,539 and the total District payroll was \$212,771,081. The employees' contributions during the year ended June 30, 2011 were \$1,841,038 (5.6 percent of the total covered payroll). The District's General Fund made contributions of \$2,161,435 (6.6 percent of the total covered payroll). Plan net assets were \$232,345,887 as of June 30, 2011. Fair values of investments that do not have an established market are reported at estimated fair values. Estimated fair market values are determined based on third-party pricing quotes or the close of market amounts on the last business day of the fiscal year. The activity of this retirement plan as of and for the year ended June 30, 2011 is included as a fiduciary fund, Pension Trust Fund, within these financial statements. The plan does not issue a stand-alone financial report.

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 2011, the District contributed \$3,551,000. Retiree and active members receiving benefits contributed through their required monthly contributions of:

Rate Tier	Blue Access		
	Wellmark	Blue Access	Union
Employee	\$ 378.67	\$ 352.76	\$ 403.62
Employee + One	722.12	672.71	769.70
Family	1,151.16	1,072.39	1,227.00

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 10. Other Postemployment Benefits (Continued)

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 to 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 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	\$ 6,130,000
Interest on net OPEB obligation	198,000
Adjustment to annual required contribution	(204,250)
Annual OPEB cost (expense)	<u>6,123,750</u>
Contributions and payments made	<u>3,511,000</u>
Increase in net OPEB obligation	2,612,750
Net OPEB obligation - July 1, 2010	<u>4,396,250</u>
Net OPEB obligation - June 30, 2011	<u><u>\$ 7,009,000</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2011 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, 2009	\$ 4,009,250	84.06%	\$ 1,704,250
June 30, 2010	5,711,000	52.86	4,396,250
June 30, 2011	6,123,750	57.33	7,009,000

Funded status and funding progress: Postemployment Benefit Obligations under GASB Statement No. 45 calculated as of July 1, 2010, the most recent valuation date is as follows:

	Total	Members
Actuarial Accrued Liability:		
Current retirees, beneficiaries and dependents	\$ 10,323,000	389
Current active members	35,059,000	4,660
Total Actuarial Accrued Liability (AAL)	<u>45,382,000</u>	<u>5,049</u>
Actuarial value of OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	45,382,000	

The covered payroll (annual payroll of active employees covered by the plan) was \$212,793,902 and the ratio of the UAAL to the covered payroll was 21.3 percent. The actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) is zero.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 10. Other Postemployment Benefits (Concluded)

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, 2010 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 4.5 percent annual discount rate, an annual health care cost trend rate of 10.5 percent for select and 5 percent for ultimate initially, but reduced 0.5 percent each year until reaching the ultimate trend and an implicit inflation rate of 3 percent. All rates include a 2 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, 2010, was 30 years.

Note 11. Pollution Remediation Liability

The District began remodeling three properties and upon commencing work determined asbestos was present and needed to be removed as part of the overall improvement projects. The amount of the asbestos removal liability as of June 30, 2011 is derived from the construction contracts. The District has recorded a liability of \$99,154 in the Capital Projects Fund included in accounts payable and other current liabilities based on services provided by contractors prior to year-end. The District has also recorded a liability of \$78,495 in the government-wide financial statements based on remaining future costs related to the removal projects.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 12. Fund Balances

In fiscal year 2011, the District adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement 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 are the following.

Fund Balances:	General	Capital Projects	Nonmajor Governmental	Total
Nonspendable:				
Inventories	\$ 538,005	\$ -	\$ -	\$ 538,005
Prepays	100,602	-	-	100,602
Total Nonspendable	638,607	-	-	638,607
Restricted:				
Student activities	-	-	2,061,795	2,061,795
Management levy purposes	-	-	2,805,000	2,805,000
Physical Plant and Equipment	-	-	7,151,918	7,151,918
Public Education and Recreation	-	-	247,135	247,135
DMPS Expendable Trust	-	-	2,516,107	2,516,107
Capital Projects	-	55,585,916	-	55,585,916
Permanent Trust	-	-	11,538	11,538
Categorical Funding	8,622,923	-	-	8,622,923
Shared Programs	646,673	-	-	646,673
Special Education	4,200,000	-	-	4,200,000
Medicaid	373,521	-	-	373,521
Grants	578,300	-	-	578,300
Total Restricted	14,421,417	55,585,916	14,793,493	84,800,826
Committed:				
School Carryover	1,178,015	-	-	1,178,015
Charter School Carryover	148,043	-	-	148,043
Facility Usage	6,446	-	-	6,446
Technology	1,602,813	-	-	1,602,813
Total Committed	2,935,317	-	-	2,935,317
Unassigned	20,607,861	-	-	20,607,861
Total fund balances	\$ 38,603,202	\$ 55,585,916	\$ 14,793,493	\$ 108,982,611

Des Moines Independent Community School District

Notes to Basic Financial Statements

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

The District adopted the following Statements during the year ended June 30, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. As described in Note 12 to the basic financial statements, the District reclassified the fund balances for all governmental funds as a result of the implementation of this Statement.
- GASB Statement No. 59, *Financial Instruments Omnibus*. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, Accounting and Financial Reporting for Derivative Instruments, and applying the reporting provisions for interest-earning investment contracts of GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

The GASB has issued several statements not yet implemented by the District. The District's management has not yet determined the effect these Statements will have on the District's financial statements. However, the District plans to implement all standards by the required dates. The Statements which might impact the District are as follows:

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statement No. 43 and No. 45, issued January 2010, will be effective for the District beginning with its year ending June 30, 2012. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans.
- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 13. New Governmental Accounting Standards Board (GASB) Statements and Pending Pronouncements (Concluded)

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the District beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective for the District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the District beginning with its year ending June 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectibility of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

Des Moines Independent Community School District

Notes to Basic Financial Statements

Note 14. Subsequent Event

In August 2011, the District approved a resolution for the issuance of Sales Tax Revenue Bonds in the amount of approximately \$67,000,000 for various capital construction projects.

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]
2008	July 1, 2007	\$ -	\$ 35,642,000	\$ 35,642,000	\$ -	\$ 204,419,736	17.44%
2009	July 1, 2007	-	35,642,000	35,642,000	-	217,565,376	16.38
2010	July 1, 2009	-	42,780,000	42,780,000	-	217,402,778	19.68
2011	July 1, 2010	-	45,382,000	45,382,000	-	212,793,902	21.33

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of July 1, 2010. 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) 4.5 percent annual discount rate and b) a health care cost trend rate of 10.5 percent on a select basis and 5.0 percent on an ultimate basis. Select trends are reduced 0.5 percent each year until reaching the ultimate trend.
- d. The amortization method is level of percentage of projected payroll on an open basis.

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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, 2011**

	Actual			
	Governmental	Enterprise	Private Purpose	Total
	Fund Types	Funds	Trust Funds	
Revenues:				
Local sources	\$ 166,804,026	\$ 6,157,524	\$ 3,867	\$ 172,965,417
Intermediate sources	490,869	-	-	490,869
State sources	193,034,832	116,327	-	193,151,159
Federal sources	48,798,707	11,383,125	-	60,181,832
Total revenues	409,128,434	17,656,976	3,867	426,789,277
Expenditures/Expenses:				
Instruction	235,417,051	-	-	235,417,051
Support services	105,096,157	-	-	105,096,157
Noninstructional	2,231,523	16,914,145	13,044	19,158,712
Other	65,771,102	-	-	65,771,102
Total expenditures/expenses	408,515,833	16,914,145	13,044	425,443,022
Excess (deficiency) of revenues over expenditures/expenses	612,601	742,831	(9,177)	1,346,255
Other financing sources (uses):				
Proceeds from sale of capital assets	801,763	-	-	801,763
Transfers in	7,514,020	-	-	7,514,020
Transfers (out)	(7,514,020)	-	-	(7,514,020)
Net change in fund balances	\$ 1,414,364	\$ 742,831	\$ (9,177)	\$ 2,148,018

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

See Note to Required Supplementary Information.

Budget		Final Budget to Actual Variance	
Original/Final		Over (Under)	
\$	166,077,449	\$	6,887,968
	875,000		(384,131)
	209,197,682		(16,046,523)
	48,591,231		11,590,601
	424,741,362		2,047,915
	250,333,930		(14,916,879)
	108,374,469		(3,278,312)
	20,268,877		(1,110,165)
	71,440,156		(5,669,054)
	450,417,432		(24,974,410)
	(25,676,070)		27,022,325
	-		801,763
	6,514,020		1,000,000
	(6,514,020)		1,000,000
\$	(25,676,070)	\$	29,824,088

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Des Moines Independent Community School District

Note to Required Supplementary Information

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, 2011, the District did not overexpend in any functional area by. The 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.

An amended budget was not prepared for the District; therefore, the original budget is the final budget.

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 \$12,878,207 for the year ended June 30, 2011.

Des Moines Independent Community School District

**Combining Balance Sheet
All Nonmajor Governmental Funds
June 30, 2011**

	Special Revenue		
	Student Activity	Management	DMPS
Assets			
Cash and investments	\$ 2,202,802	\$ 5,666,635	\$ 895,413
Restricted investments	-	-	1,635,729
Property taxes receivable - current year	-	162,976	-
Property taxes receivable - succeeding year	-	10,195,348	-
Other receivables	18,274	-	-
Due from other governments	-	-	-
Prepaid items	19,739	-	-
Total assets	\$ 2,240,815	\$ 16,024,959	\$ 2,531,142
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 163,443	\$ 511,861	\$ 13,010
Accrued payroll	1,260	-	-
Special termination benefits	-	2,443,349	-
Other current liabilities	87	-	-
Due to other governments	7,098	69,401	2,025
Deferred revenue	7,132	-	-
Unearned revenue	-	10,195,348	-
Total liabilities	179,020	13,219,959	15,035
Fund balances, restricted	2,061,795	2,805,000	2,516,107
Total liabilities and fund balances	\$ 2,240,815	\$ 16,024,959	\$ 2,531,142

Capital Projects			
Physical Plant and Equipment Levy	Public Education and Recreation Levy	Permanent	Total Nonmajor Governmental Funds
\$ 7,479,054	\$ 280,252	\$ 11,538	\$ 16,535,694
-	-	-	1,635,729
105,828	14,260	-	283,064
6,907,279	885,218	-	17,987,845
-	-	-	18,274
74,550	-	-	74,550
-	-	-	19,739
<u>\$ 14,566,711</u>	<u>\$ 1,179,730</u>	<u>\$ 11,538</u>	<u>\$ 36,554,895</u>

\$ 429,236	\$ 32,086	\$ -	\$ 1,149,636
-	14,439	-	15,699
-	-	-	2,443,349
3,728	-	-	3,815
-	852	-	79,376
74,550	-	-	81,682
6,907,279	885,218	-	17,987,845
<u>7,414,793</u>	<u>932,595</u>	<u>-</u>	<u>21,761,402</u>
<u>7,151,918</u>	<u>247,135</u>	<u>11,538</u>	<u>14,793,493</u>
<u>\$ 14,566,711</u>	<u>\$ 1,179,730</u>	<u>\$ 11,538</u>	<u>\$ 36,554,895</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, 2011

	Special Revenue		
	Student	Management	DMPS
	Activity		
Revenues:			
Property taxes	\$ -	\$ 9,881,280	\$ -
Other local sources	-	-	144,253
Investment earnings	2,594	-	490,772
State sources	-	4,137	-
Federal sources	-	-	-
Student activities	2,547,257	-	2,480
Total revenues	2,549,851	9,885,417	637,505
Expenditures:			
Current:			
Instruction	2,505,799	4,433,230	219,028
Student services	-	339,246	-
Instructional support services	-	-	26,110
General administration	-	684,914	-
Building administration	-	497,893	-
Plant operation and maintenance	-	1,717,637	-
Student transportation	-	1,290,979	-
Noninstructional	-	557,229	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	2,505,799	9,521,128	245,138
Excess (deficiency) of revenues over expenditures	44,052	364,289	392,367
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	44,052	364,289	392,367
Fund balances, beginning of year	2,017,743	2,440,711	2,123,740
Fund balances, end of year	\$ 2,061,795	\$ 2,805,000	\$ 2,516,107

Debt Service	Capital Projects			Permanent	Total Nonmajor Governmental Funds
	Physical Plant and Equipment Levy	Public Education and Recreation Levy			
\$ -	\$ 6,716,504	\$ 857,952	\$ -	\$ -	\$ 17,455,736
-	282,778	437,256	-	-	864,287
-	35,108	-	13	-	528,487
-	2,561	359	-	-	7,057
-	212,244	-	-	-	212,244
-	-	15,966	-	-	2,565,703
-	7,249,195	1,311,533	13	-	21,633,514
-	-	-	-	-	7,158,057
-	-	-	-	-	339,246
-	-	-	-	-	26,110
-	-	-	-	-	684,914
-	-	-	-	-	497,893
-	-	-	-	-	1,717,637
-	-	-	-	-	1,290,979
-	-	1,130,587	-	-	1,687,816
-	4,032,010	90,487	-	-	4,122,497
3,180,000	-	-	-	-	3,180,000
4,334,020	-	-	-	-	4,334,020
7,514,020	4,032,010	1,221,074	-	-	25,039,169
(7,514,020)	3,217,185	90,459	13	-	(3,405,655)
-	767,063	-	-	-	767,063
7,514,020	-	-	-	-	7,514,020
-	(1,560,520)	-	-	-	(1,560,520)
7,514,020	(793,457)	-	-	-	6,720,563
-	2,423,728	90,459	13	-	3,314,908
-	4,728,190	156,676	11,525	-	11,478,585
\$ -	\$ 7,151,918	\$ 247,135	\$ 11,538	\$ -	\$ 14,793,493

Des Moines Independent Community School District

Combining Statement of Net Assets

All Nonmajor Enterprise Funds

June 30, 2011

	School Nutrition	Child Care	Preschool
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 50	\$ -
Other receivables, net of allowances for uncollectibles of \$85,208	165,188	44,551	-
Due from other governments	183,850	-	-
Assets held for sale	-	-	-
Inventories	319,177	-	-
Prepaid items	-	1,170	-
Total current assets	668,215	45,771	-
Noncurrent assets:			
Advances to other funds	-	-	-
Depreciable assets, net	2,283,505	-	-
Total noncurrent assets	2,283,505	-	-
Total assets	\$ 2,951,720	\$ 45,771	\$ -
Liabilities			
Current liabilities:			
Accounts payable	\$ 179,295	\$ 17,122	\$ -
Accrued payroll	112,023	149,226	-
Due to other governments	-	850	-
Due to other funds	721,828	84,467	-
Unearned revenue	111,118	22,226	-
Compensated absences	134,101	20,497	-
Total current liabilities	1,258,365	294,388	-
Noncurrent liabilities:			
Advances from other funds	-	-	677,879
Compensated absences	44,290	6,710	-
Total noncurrent liabilities	44,290	6,710	677,879
Total liabilities	1,302,655	301,098	677,879
Net Assets (Deficit)			
Invested in capital assets	2,283,505	-	-
Unrestricted	(634,440)	(255,327)	(677,879)
Total net assets (deficit)	1,649,065	(255,327)	(677,879)
Total liabilities and net assets	\$ 2,951,720	\$ 45,771	\$ -

Home Remodeling	Automotive	Wellness Center	Total
\$ -	\$ -	\$ -	\$ 50
-	-	-	209,739
-	-	-	183,850
32,047	-	-	32,047
-	-	-	319,177
-	-	-	1,170
32,047	-	-	746,033
88,279	29,071	59,177	176,527
-	-	-	2,283,505
88,279	29,071	59,177	2,460,032
\$ 120,326	\$ 29,071	\$ 59,177	\$ 3,206,065
\$ -	\$ 4,151	\$ -	\$ 200,568
-	-	140	261,389
-	-	-	850
-	-	-	806,295
-	-	-	133,344
-	-	1,615	156,213
-	4,151	1,755	1,558,659
-	-	-	677,879
-	-	220	51,220
-	-	220	729,099
-	4,151	1,975	2,287,758
-	-	-	2,283,505
120,326	24,920	57,202	(1,365,198)
120,326	24,920	57,202	918,307
\$ 120,326	\$ 29,071	\$ 59,177	\$ 3,206,065

Des Moines Independent Community School District

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)

All Nonmajor Enterprise Funds

Year Ended June 30, 2011

	School Nutrition	Child Care	Preschool
Operating revenues:			
Student activities	\$ -	\$ -	\$ -
Charges for services:			
Sale of food	2,945,912	-	-
Child care	-	3,053,866	-
Miscellaneous	-	-	-
Total operating revenues	2,945,912	3,053,866	-
Operating expenses:			
Student services	13,320,187	-	-
School nutrition, depreciation	388,351	-	-
Community services	-	3,055,421	-
Total operating expenses	13,708,538	3,055,421	-
Operating (loss)	(10,762,626)	(1,555)	-
Nonoperating revenues (expenses):			
Other local sources	54,015	-	-
State sources	116,327	-	-
Federal sources	11,383,125	-	-
Loss on disposal of capital assets	(22,284)	-	-
Total nonoperating revenues	11,531,183	-	-
Changes in net assets (deficit)	768,557	(1,555)	-
Total net assets (deficit), beginning of year	880,508	(253,772)	(677,879)
Total net assets (deficit), end of year	\$ 1,649,065	\$ (255,327)	\$ (677,879)

Home Remodeling	Automotive	Wellness Center	Total
\$ -	\$ 33,514	\$ -	\$ 33,514
-	-	-	2,945,912
-	-	-	3,053,866
-	-	62,683	62,683
-	33,514	62,683	6,095,975
-	52,457	-	13,372,644
-	-	-	388,351
30	-	75,415	3,130,866
30	52,457	75,415	16,891,861
(30)	(18,943)	(12,732)	(10,795,886)
-	7,534	-	61,549
-	-	-	116,327
-	-	-	11,383,125
-	-	-	(22,284)
-	7,534	-	11,538,717
(30)	(11,409)	(12,732)	742,831
120,356	36,329	69,934	175,476
\$ 120,326	\$ 24,920	\$ 57,202	\$ 918,307

Des Moines Independent Community School District

Combining Statement of Cash Flows

All Nonmajor Enterprise Funds

Year Ended June 30, 2011

	School Nutrition	Child Care	Preschool
Cash flows from operating activities:			
Cash received from user charges	\$ 2,879,049	\$ 3,132,315	\$ -
Cash payments to employees for services	(6,871,066)	(2,739,736)	-
Cash payments to suppliers for goods and services	(5,502,463)	(296,736)	-
Net cash provided by (used in) operating activities	(9,494,480)	95,843	-
Cash flows from noncapital financing activities:			
Payments from other funds	-	-	-
Payments to other funds	(1,043,091)	(95,843)	-
Grants and donations received	10,820,001	-	-
Net cash provided by (used in) noncapital financing activities	9,776,910	(95,843)	-
Cash flows from capital and related financing activities, acquisition of capital assets	(282,430)	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	-	50	-
Cash and cash equivalents, end of year	\$ -	\$ 50	\$ -
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	\$ (10,762,626)	\$ (1,555)	\$ -
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	388,351	-	-
Commodities used	888,337	-	-
Changes in assets and liabilities:			
Receivables	(27,581)	82,550	-
Inventories	(47,780)	-	-
Prepaid items	260	(1,031)	-
Accounts payable and due to other governments	152,724	6,807	-
Unearned revenue	(39,282)	(4,101)	-
Accrued liabilities and compensated absences	(46,883)	13,173	-
Net cash provided by (used in) operating activities	\$ (9,494,480)	\$ 95,843	\$ -
Noncash items, noncapital financing activities:			
Commodities received from U.S. Department of Agriculture	\$ 888,337	\$ -	\$ -
Change in due from other governments	154,871	-	-
Change in due from other funds	-	-	-
Change in due to other funds	(1,043,091)	(95,483)	-

	Home Remodeling	Automotive	Wellness Center	Total
\$	-	\$ 33,514	\$ 62,683	\$ 6,107,561
	-	(481)	(59,380)	(9,670,663)
	(30)	(51,050)	(14,060)	(5,864,339)
	(30)	(18,017)	(10,757)	(9,427,441)
	30	10,483	10,757	21,270
	-	-	-	(1,138,934)
	-	7,534	-	10,827,535
	30	18,017	10,757	9,709,871
	-	-	-	(282,430)
	-	-	-	-
	-	-	-	50
\$	-	\$ -	\$ -	\$ 50

\$	(30)	\$ (18,943)	\$ (12,732)	\$ (10,795,886)
	-	-	-	388,351
	-	-	-	888,337
	-	-	-	54,969
	-	-	-	(47,780)
	-	-	-	(771)
	-	926	1,975	162,432
	-	-	-	(43,383)
	-	-	-	(33,710)
\$	(30)	\$ (18,017)	\$ (10,757)	\$ (9,427,441)

\$	-	\$ -	\$ -	\$ 888,337
	-	-	-	154,871
	30	10,483	10,757	21,270
	-	-	-	(1,138,574)

Des Moines Independent Community School District

Combining Statement of Net Assets (Deficit)

All Internal Service Funds

June 30, 2011

	Risk				Total
	Self-Insurance	Management	Collage	Print Shop	
Assets					
Current assets:					
Cash and cash equivalents	\$ 13,072,255	\$ 311,711	\$ 150	\$ 44,598	\$ 13,428,714
Due from other funds	728,401	-	-	77,894	806,295
Inventories	-	-	-	45,969	45,969
Prepaid items	5,000	-	-	-	5,000
Total current assets	13,805,656	311,711	150	168,461	14,285,978
Noncurrent assets:					
Advances to other funds	579,246	-	-	-	579,246
Depreciable assets, net	-	-	-	88,249	88,249
Total noncurrent assets	579,246	-	-	88,249	667,495
Total assets	\$ 14,384,902	\$ 311,711	\$ 150	\$ 256,710	\$ 14,953,473
Liabilities					
Current liabilities:					
Accounts payable	\$ -	\$ 231,184	\$ 24	\$ 5,112	\$ 236,320
Claims payable	4,904,523	-	-	-	4,904,523
Accrued payroll	-	-	194	1,972	2,166
Unearned revenue	60,359	-	-	-	60,359
Compensated absences	-	-	-	8,496	8,496
Total current liabilities	4,964,882	231,184	218	15,580	5,211,864
Noncurrent liabilities:					
Advances from other funds	-	-	77,894	-	77,894
Compensated absences	-	-	-	5,808	5,808
Total noncurrent liabilities	-	-	77,894	5,808	83,702
Total liabilities	4,964,882	231,184	78,112	21,388	5,295,566
Net Assets (Deficit)					
Invested in capital assets	-	-	-	88,249	88,249
Unrestricted	9,420,020	80,527	(77,962)	147,073	9,569,658
Total net assets (deficit)	9,420,020	80,527	(77,962)	235,322	9,657,907
Total liabilities and net assets (deficit)	\$ 14,384,902	\$ 311,711	\$ 150	\$ 256,710	\$ 14,953,473

Des Moines Independent Community School District

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)
All Internal Service Funds
Year Ended June 30, 2011**

	Risk				Total
	Self-Insurance	Management	Collage	Print Shop	
Operating revenues:					
Charges for services:					
Employee benefits	\$ 45,553,696	\$ 830,570	\$ -	\$ -	\$ 46,384,266
Miscellaneous	-	-	27,281	322,647	349,928
Total operating revenues	45,553,696	830,570	27,281	322,647	46,734,194
Operating expenses:					
Claims and related costs	48,113,948	788,603	-	-	48,902,551
Depreciation	-	-	-	11,670	11,670
Miscellaneous	-	-	26,085	290,577	316,662
Total operating expenses	48,113,948	788,603	26,085	302,247	49,230,883
Operating income (loss)	(2,560,252)	41,967	1,196	20,400	(2,496,689)
Total net assets (deficit), beginning of year	11,980,272	38,560	(79,158)	214,922	12,154,596
Total net assets (deficit), end of year	\$ 9,420,020	\$ 80,527	\$ (77,962)	\$ 235,322	\$ 9,657,907

Des Moines Independent Community School District

Combining Statement of Cash Flows

All Internal Service Funds

Year Ended June 30, 2011

	Risk				
	Self-Insurance	Management	Collage	Print Shop	Total
Cash flows from operating activities:					
Cash received from user charges	\$ 45,543,206	\$ 823,895	\$ 27,281	\$ 322,647	\$ 46,717,029
Cash payments to employees for services	-	-	(18,317)	(188,928)	(207,245)
Cash payments to suppliers for goods and services	(48,077,286)	(820,474)	(13,626)	(93,701)	(49,005,087)
Net cash provided by (used in) operating activities	(2,534,080)	3,421	(4,662)	40,018	(2,495,303)
Cash flows from noncapital financing activities:					
Proceeds from other funds	1,117,664	-	4,662	-	1,122,326
Payments to other funds	-	-	-	(4,662)	(4,662)
Net cash provided by (used in) noncapital financing activities	1,117,664	-	4,662	(4,662)	1,117,664
Net increase (decrease) in cash and cash equivalents	(1,416,416)	3,421	-	35,356	(1,377,639)
Cash and cash equivalents, beginning of year	14,488,671	308,290	150	9,242	14,806,353
Cash and cash equivalents, end of year	<u>\$ 13,072,255</u>	<u>\$ 311,711</u>	<u>\$ 150</u>	<u>\$ 44,598</u>	<u>\$ 13,428,714</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (2,560,252)	\$ 41,967	\$ 1,196	\$ 20,400	\$ (2,496,689)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	11,670	11,670
Changes in assets and liabilities:					
Inventories	-	-	-	4,570	4,570
Prepaid items	(5,000)	-	-	-	(5,000)
Accounts payable	-	(31,871)	(140)	4,023	(27,988)
Claims payable	41,662	-	-	-	41,662
Unearned revenue	(10,490)	(6,675)	-	-	(17,165)
Accrued liabilities	-	-	(5,718)	(645)	(6,363)
Net cash provided by (used in) operating activities	\$ (2,534,080)	\$ 3,421	\$ (4,662)	\$ 40,018	\$ (2,495,303)
Noncash items, noncapital financing activities:					
Change in due from other funds	\$ 1,117,664	\$ -	\$ -	\$ (4,662)	\$ 1,113,002
Change in due to other funds	-	-	(4,662)	-	(4,662)

Des Moines Independent Community School District

Combining Statement of Assets and Liabilities

Agency Fund

June 30, 2011

	<u>Faculty and Staff</u>
Assets , cash and cash equivalents	<u>\$ 107,289</u>
Liabilities	
Accounts payable	\$ 2,308
Due to other governmental units	<u>104,981</u>
Total liabilities	<u>\$ 107,289</u>

Des Moines Independent Community School District

Combining Statement of Changes in Assets and Liabilities

Agency Funds

June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Faculty and Staff				
Assets				
Cash and cash equivalents	\$ 150,288	\$ 76,660	\$ 119,659	\$ 107,289
Liabilities				
Accounts payable	\$ 11,254	\$ -	\$ 8,946	\$ 2,308
Due to other governmental units	139,034	-	34,053	104,981
Total liabilities	\$ 150,288	\$ -	\$ 42,999	\$ 107,289
Urban Education Network				
Assets				
Cash and cash equivalents	\$ 83,056	\$ -	\$ 83,056	\$ -
Liabilities				
Due to other governmental units	\$ 83,056	\$ -	\$ 83,056	\$ -
Total				
Assets				
Cash and cash equivalents	\$ 233,344	\$ 76,660	\$ 202,715	\$ 107,289
Liabilities				
Accounts payable	\$ 11,254	\$ -	\$ 8,946	\$ 2,308
Due to other governmental units	222,090	-	117,109	104,981
Total liabilities	\$ 233,344	\$ -	\$ 126,055	\$ 107,289

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.	78 - 93
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).	94 - 100
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.	101 - 106
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.	107 - 108
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.	109 - 131

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented GASB Statement No. 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

Des Moines Independent Community School District

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

	Fiscal Year			
	2002	2003	2004	2005
Governmental activities:				
Invested in capital assets, net of related debt	\$ 74,412,926	\$ 110,972,196	\$ 150,807,994	\$ 166,212,168
Restricted	19,526,112	7,890,843	4,993,858	8,678,939
Unrestricted	10,903,006	12,680,313	308,782	26,325,637
Total governmental activities net assets	\$ 104,842,044	\$ 131,543,352	\$ 156,110,634	\$ 201,216,744
Business-type activities:				
Invested in capital assets, net of related debt	\$ 1,038,365	\$ 1,395,717	\$ 1,572,525	\$ 2,363,403
Restricted	-	-	-	-
Unrestricted	963,802	1,150,625	1,017,486	912,110
Total business-type activities net assets	\$ 2,002,167	\$ 2,546,342	\$ 2,590,011	\$ 3,275,513
Primary government:				
Invested in capital assets, net of related debt	\$ 75,451,291	\$ 112,367,913	\$ 152,380,519	\$ 168,575,571
Restricted	19,526,112	7,890,843	4,993,858	8,678,939
Unrestricted	11,866,808	13,830,938	1,326,268	27,237,747
Total primary government net assets	\$ 106,844,211	\$ 134,089,694	\$ 158,700,645	\$ 204,492,257

* The District began to report accrual information when it implemented GASB Statement No. 34 in 2002.

Source: Comprehensive Annual Financial Report

							Fiscal Year						
		2006		2007		2008		2009		2010		2011	
\$	193,522,406	\$	223,847,057	\$	261,303,316	\$	295,531,637	\$	321,900,574	\$	338,928,488		
	31,370,418		35,019,609		28,171,672		27,723,729		26,709,665		31,199,263		
	14,399,109		21,372,567		20,680,456		17,189,578		10,363,873		14,951,604		
\$	239,291,933	\$	280,239,233	\$	310,155,444	\$	340,444,944	\$	358,974,112	\$	385,079,355		
\$	2,391,487	\$	2,320,931	\$	2,380,907	\$	2,606,657	\$	2,411,710	\$	2,283,505		
	-		-		-		-		-		-		
	675,842		(288,605)		(1,843,960)		(2,512,906)		(2,236,234)		(1,365,198)		
\$	3,067,329	\$	2,032,326	\$	536,947	\$	93,751	\$	175,476	\$	918,307		
\$	195,913,893	\$	226,167,988	\$	263,684,223	\$	298,138,294	\$	324,312,284	\$	341,211,993		
	31,370,418		35,019,609		28,171,672		27,723,729		26,709,665		31,199,263		
	15,074,951		21,083,962		18,836,496		14,676,672		8,127,639		13,586,406		
\$	242,359,262	\$	282,271,559	\$	310,692,391	\$	340,538,695	\$	359,149,588	\$	385,997,662		

Des Moines Independent Community School District

Expenses, Program Revenues and Net (Expense) Revenue

Last Ten Fiscal Years*

(accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2002	2003	2004
Expenses:			
Governmental activities:			
Instructional	\$ 190,565,205	\$ 188,029,574	\$ 196,440,822
Student services	17,760,690	18,385,785	19,304,468
Instructional support services	4,278,577	3,285,811	3,130,123
General administration	4,245,818	4,685,483	5,412,731
Central support services	5,514,567	4,239,135	4,665,921
Building administration	14,740,253	15,042,128	16,006,487
Business administration	2,088,525	1,907,336	2,246,641
Business and central administration	-	-	-
Plant operation and maintenance	26,637,504	27,399,239	26,862,744
Student transportation	7,581,203	8,262,991	9,179,699
Noninstructional	687,093	4,931,839	2,412,415
AEA support	9,578,154	9,837,474	9,140,786
Interest on long-term debt	159,818	130,334	90,488
Total governmental activities expenses	283,837,407	286,137,129	294,893,325
Business-type activities:			
School nutrition	11,064,565	11,562,068	11,685,044
Child care	3,282,583	3,226,813	3,887,289
Preschool	-	-	-
Other	68,331	104,149	89,471
Total business-type activities expenses	14,415,479	14,893,030	15,661,804
Total primary government expenses	\$ 298,252,886	\$ 301,030,159	\$ 310,555,129
Program revenues:			
Governmental activities:			
Charges for services:			
Instruction	\$ 8,684,185	\$ 12,835,587	\$ 12,994,023
Support services	9,744,207	10,477,043	10,508,228
Operating grants and contributions	43,364,301	40,202,197	39,594,789
Capital grants and contributions	928,944	956,208	2,469,240
Total governmental activities program revenues	62,721,637	64,471,035	65,566,280

(Continued)

							Fiscal Year
2005	2006	2007	2008	2009	2010	2011	
\$ 191,094,307	\$ 206,822,872	\$ 210,863,364	\$ 229,908,604	\$ 238,676,928	\$ 245,423,324	\$ 251,762,378	
16,566,058	17,175,275	17,565,934	19,144,119	20,471,493	22,488,603	20,562,462	
5,322,439	6,440,206	7,784,381	8,020,675	8,445,248	8,263,149	11,926,860	
5,246,763	4,234,165	3,862,718	4,806,286	5,282,473	4,442,422	4,752,013	
-	-	-	-	-	-	-	
15,046,750	16,616,658	17,965,958	18,205,319	18,902,199	19,797,129	17,692,429	
-	-	-	-	-	-	-	
6,669,808	7,292,653	9,116,886	9,754,807	8,354,561	7,660,791	7,465,018	
26,731,721	30,416,184	31,675,467	33,557,855	35,647,890	33,438,106	32,500,882	
8,783,899	10,189,064	10,856,840	10,635,752	10,518,100	10,352,087	10,699,109	
1,149,267	1,367,676	1,943,137	1,879,027	2,055,069	3,143,025	6,831,871	
9,445,390	9,855,798	10,455,648	10,993,407	11,511,318	12,463,876	12,878,207	
159,296	101,253	894,900	835,766	709,817	897,462	3,254,529	
286,215,698	310,511,804	322,985,233	347,741,617	360,575,096	368,369,974	380,325,758	
12,207,914	12,865,670	13,856,434	14,833,221	14,790,948	14,429,088	13,730,822	
4,277,713	4,461,347	2,530,578	3,479,097	3,468,091	2,947,012	3,055,421	
-	-	2,224,190	-	-	-	-	
109,722	99,833	112,292	99,935	97,908	138,258	127,902	
16,595,349	17,426,850	18,723,494	18,412,253	18,356,947	17,514,358	16,914,145	
\$ 302,811,047	\$ 327,938,654	\$ 341,708,727	\$ 366,153,870	\$ 378,932,043	\$ 385,884,332	\$ 397,239,903	
\$ 12,378,325	\$ 11,123,854	\$ 12,002,157	\$ 10,969,649	\$ 10,625,291	\$ 9,745,572	\$ 10,548,824	
10,602,249	11,153,073	11,332,332	11,417,248	12,351,149	13,282,400	13,354,070	
42,485,746	48,330,052	50,812,813	63,411,312	75,779,208	97,746,607	90,715,067	
896,674	1,771,836	3,652,164	700,002	3,436,715	597,248	89,825	
66,362,994	72,378,815	77,799,466	86,498,211	102,192,363	121,371,827	114,707,786	

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		
	2002	2003	2004
Business-type activities:			
Charges for services:			
School nutrition	\$ 4,822,748	\$ 4,689,138	\$ 4,469,991
Child care	2,940,983	3,183,993	3,887,289
Preschool	-	-	-
Other	72,965	111,231	89,471
Operating grants and contributions	6,638,726	7,452,843	7,542,929
Capital grants and contributions	-	-	-
Total business-type program revenues	14,475,422	15,437,205	15,989,680
Total primary government program revenues	\$ 77,197,059	\$ 79,908,240	\$ 81,555,960
Net (expense) revenue:			
Governmental activities	\$ (221,115,770)	\$ (221,666,094)	\$ (229,327,045)
Business-type activities	59,943	544,175	(6,331)
Total primary government net expense	\$ (221,055,827)	\$ (221,121,919)	\$ (229,333,376)

* The District began to report accrual information when it implemented GASB Statement No. 34 in 2002.

Source: Comprehensive Annual Financial Report

							Fiscal Year
2005	2006	2007	2008	2009	2010	2011	
\$ 4,238,988	\$ 3,933,497	\$ 3,904,411	\$ 3,845,874	\$ 4,299,682	\$ 3,722,647	\$ 2,945,912	
4,276,989	4,516,777	2,555,465	3,172,336	3,221,833	2,695,149	3,053,866	
-	-	1,909,835	-	-	-	-	
92,967	129,302	78,934	72,913	67,550	104,511	96,197	
8,049,101	8,639,090	9,239,846	9,825,079	10,324,686	11,061,636	11,561,001	
-	-	-	672	-	-	-	
16,658,045	17,218,666	17,688,491	16,916,874	17,913,751	17,583,943	17,656,976	
\$ 83,021,039	\$ 89,597,481	\$ 17,688,491	\$ 17,688,491	\$ 120,106,114	\$ 120,106,114	\$ 138,955,770	
\$ (219,852,704)	\$ (238,132,989)	\$ (245,185,767)	\$ (261,243,406)	\$ (258,382,733)	\$ (246,998,147)	\$ (265,617,972)	
62,696	(208,184)	(1,035,003)	(1,495,379)	(443,196)	69,585	742,831	
\$ (219,790,008)	\$ (238,341,173)	\$ (246,220,770)	\$ (262,738,785)	\$ (258,825,929)	\$ (246,928,562)	\$ (264,875,141)	

Des Moines Independent Community School District

General Revenues and Total Change in Net Assets

Last Ten Fiscal Years*

(accrual basis of accounting)

(Unaudited)

	Fiscal Year		
	2002	2003	2004
Net (expense) revenue:			
Governmental activities	\$ (221,115,770)	\$ (221,666,094)	\$ (229,327,045)
Business-type activities	59,943	544,175	(6,331)
Total primary government net expense	(221,055,827)	(221,121,919)	(229,333,376)
General revenues and other changes in net assets:			
Governmental activities:			
Property taxes:			
Levied for general purposes	71,202,834	72,848,724	74,059,381
Levied for management	4,469,082	5,061,800	6,572,485
Levied for property, plant, and equipment	4,891,468	5,110,145	676,558
Levied for playground	648,941	665,028	1,186,643
Levied for debt service	1,489,550	1,163,329	5,249,666
Sales tax, for capital projects	27,686,764	29,144,228	30,279,709
State foundation aid	124,172,867	129,967,615	131,649,151
Investment earnings	907,102	611,507	539,591
Other local sources	1,087,233	1,304,930	1,440,272
State sources	53,324	2,403,800	2,290,871
Transfer from fiduciary fund	-	-	-
Transfers	7,000	-	(50,000)
Gain on sale of assets	-	86,296	-
Total governmental activities	236,616,165	248,367,402	253,894,327
Business-type activities:			
Miscellaneous	-	-	-
Investment earnings	-	-	-
Gain on sale of assets	-	-	-
Transfers	(7,000)	-	50,000
Total business-type activities	(7,000)	-	50,000
Total primary government	236,609,165	248,367,402	253,944,327
Change in net assets:			
Governmental activities	15,500,395	26,701,308	24,567,282
Business-type activities	52,943	544,175	43,669
Total primary government	\$ 15,553,338	\$ 27,245,483	\$ 24,610,951

* The District began to report accrual information when it implemented GASB Statement No. 34 in 2002.

Source: Comprehensive Annual Financial Report

							Fiscal Year
2005	2006	2007	2008	2009	2010	2011	
\$ (219,852,704)	\$ (238,132,989)	\$ (245,185,767)	\$ (261,243,406)	\$ (258,382,733)	\$ (246,998,147)	\$ (265,617,972)	
62,696	(208,184)	(1,035,003)	(1,495,379)	(443,196)	69,585	742,831	
(219,790,008)	(238,341,173)	(246,220,770)	(262,738,785)	(258,825,929)	(246,928,562)	(264,875,141)	
77,061,329	82,065,094	85,406,700	86,343,532	89,272,177	90,708,731	95,287,091	
11,612,920	8,306,453	8,641,311	8,781,855	9,168,606	9,406,937	9,881,280	
5,582,876	5,611,478	5,921,615	6,007,979	6,313,191	6,522,074	6,716,504	
711,481	721,094	755,290	762,490	796,190	816,470	857,952	
827,636	-	-	-	-	-	-	
30,341,530	31,448,902	30,872,838	31,143,691	28,221,919	28,617,206	24,730,755	
135,379,841	142,415,603	146,594,229	152,188,242	151,858,708	127,914,804	151,836,554	
1,396,742	2,719,950	5,284,862	2,966,414	623,796	189,740	835,448	
805,062	997,253	1,230,586	1,587,590	1,115,926	999,696	1,130,782	
1,862,040	1,922,351	1,425,636	1,357,067	1,301,720	8,999	76,686	
163	-	-	-	-	-	-	
(622,806)	-	-	-	-	(12,140)	-	
-	-	-	20,757	-	354,798	370,163	
264,958,814	276,208,178	286,133,067	291,159,617	288,672,233	265,527,315	291,723,215	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
622,806	-	-	-	-	12,140	-	
622,806	-	-	-	-	12,140	-	
265,581,620	276,208,178	286,133,067	291,159,617	288,672,233	265,539,455	291,723,215	
45,106,110	38,075,189	40,947,300	29,916,211	30,289,500	18,529,168	26,105,243	
685,502	(208,184)	(1,035,003)	(1,495,379)	(443,196)	81,725	742,831	
\$ 45,791,612	\$ 37,867,005	\$ 39,912,297	\$ 28,420,832	\$ 29,846,304	\$ 18,610,893	\$ 26,848,074	

Des Moines Independent Community School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2002	2003	2004	2005
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	1,985,801	3,601,968	1,551,636	4,508,471
Unreserved	13,794,063	9,062,956	9,945,507	16,062,254
Total General Fund	\$ 15,779,864	\$ 12,664,924	\$ 11,497,143	\$ 20,570,725
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	10,749,545	3,905,384	2,024,598	2,363,581
Unreserved, reported in:				
Capital projects funds	-	-	(822,926)	13,583,764
Debt service	-	-	-	-
Permanent funds	1,742	-	-	-
Special revenue funds	7,744,496	6,547,747	2,610,761	7,788,537
Total all other governmental funds	\$ 18,495,783	\$ 10,453,131	\$ 3,812,433	\$ 23,735,882

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

Source: Comprehensive Annual Financial Report

							Fiscal Year				
2006		2007		2008		2009		2010		2011	
\$	-	\$	-	\$	-	\$	-	\$	798,809	\$	638,607
	-		-		-		-		13,429,611		14,421,417
	-		-		-		-		1,251,214		2,935,317
	-		-		-		-		-		-
	-		-		-		-		5,636,791		20,607,861
	4,833,376		6,352,627		7,181,428		11,476,112		-		-
	22,338,620		23,016,816		18,517,645		12,224,448		-		-
\$	27,171,996	\$	29,369,443	\$	25,699,073	\$	23,700,560	\$	21,116,425	\$	38,603,202
<hr/>											
\$	-	\$	-	\$	-	\$	-	\$	21,537		-
	-		-		-		-		86,496,045		70,379,409
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	879,079		437,781		702,247		2,826,104		-		-
	18,562,188		21,210,594		14,048,083		6,030,119		-		-
	-		-		-		-		-		-
	-		-		1,515		1,641		-		-
	9,740,894		9,680,298		9,254,412		10,887,744		-		-
\$	29,182,161	\$	31,328,673	\$	24,006,257	\$	19,745,608	\$	86,517,582	\$	70,379,409

Des Moines Independent Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2002	2003	2004	2005
Federal sources, federal grants and other outside sources	\$ 20,773,154	\$ 20,848,556	\$ 21,409,808	\$ 23,768,893
State sources, state foundation aid and other sources	145,917,231	152,676,070	153,222,634	156,939,811
Intermediate sources	7,040,915	7,263,637	6,835,392	7,021,145
Local sources, local and other sources	125,599,502	131,382,524	136,392,286	143,679,034
Total revenues	\$ 299,330,802	\$ 312,170,787	\$ 317,860,120	\$ 331,408,883

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					
2006		2007		2008		2009		2010		2011	
\$	28,517,075	\$	23,682,244	\$	30,387,722	\$	35,826,527	\$	55,991,777	\$	48,798,707
	165,966,827		173,169,285		186,768,387		192,271,659		167,612,566		193,034,832
	7,427,928		8,184,914		9,203,713		827,589		490,869		425,109
	146,054,311		152,490,096		151,092,795		163,293,732		157,464,731		166,804,026
\$	347,966,141	\$	357,526,539	\$	377,452,617	\$	392,219,507	\$	381,559,943	\$	409,062,674

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			
	2002	2003	2004	2005
Instruction	\$ 180,806,275	\$ 184,245,408	\$ 185,632,366	\$ 185,395,424
Student services	17,744,612	18,568,437	18,959,957	16,530,525
Instructional support services	4,256,486	3,321,896	3,081,329	5,279,975
General administration	4,209,084	4,705,436	5,195,648	5,117,631
Building administration	14,664,633	15,213,947	15,078,066	15,179,285
Business and central administration	-	-	-	6,312,099
Business administration	2,056,846	1,925,782	2,247,970	-
Central support services, including debt service	5,458,498	4,254,090	4,558,016	-
Plant operation & maintenance	26,150,789	28,084,315	26,862,859	27,167,978
Insurance	-	-	-	-
Student transportation	7,343,760	8,239,923	8,525,861	8,382,171
Non-instructional	655,622	537,008	670,356	899,519
AEA support	9,578,154	9,837,474	9,140,786	9,445,390
Unemployment compensation	-	-	-	-
Capital outlay	32,049,074	43,516,436	48,675,157	20,498,715
Capital outlay not capitalized	-	-	-	-
Debt service:				
Principal retirement	1,340,000	970,000	1,020,000	1,445,000
Interest	159,817	130,334	90,488	158,810
Bond issuance costs	6,100	-	25,344	-
Other	-	-	-	-
Total expenditures	\$ 306,479,750	\$ 323,550,486	\$ 329,764,203	\$ 301,812,522
Debt service as a percentage of noncapital expenditures	0.55%	0.39%	0.40%	0.57%

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					
2006		2007		2008		2009		2010		2011		
\$	199,686,716	\$	204,333,386	\$	225,309,061	\$	232,694,472	\$	232,362,118	\$	235,454,394	
	17,263,980		17,993,709		19,497,475		20,831,163		21,746,835		19,847,087	
	6,467,422		7,685,131		8,138,207		8,604,544		8,101,158		11,724,151	
	4,328,391		3,930,504		4,778,387		5,175,484		4,399,564		4,490,055	
	16,642,315		18,113,129		18,519,205		19,539,562		19,622,589		17,422,604	
	7,263,248		9,100,426		9,240,852		7,447,867		7,232,503		7,930,388	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	30,232,224		31,913,066		33,505,014		35,133,406		32,886,528		31,519,245	
	-		-		-		-		-		-	
	9,452,879		10,187,970		10,009,481		9,876,399		9,602,623		9,825,338	
	1,158,221		1,952,323		1,981,376		2,020,184		2,092,321		2,253,303	
	9,855,798		10,455,648		10,993,407		11,511,318		12,463,876		12,878,207	
	-		-		-		-		-		-	
	32,154,840		56,005,258		41,304,558		22,482,126		38,124,836		39,884,842	
	1,304,604		79,949		2,302,867		4,114,439		3,392,283		7,772,199	
	470,000		1,285,000		2,090,000		18,810,000		520,000		3,180,000	
	100,767		806,381		822,738		741,648		39,078		4,334,020	
	-		65,000		-		-		499,051		-	
	-		-		-		-		-		-	
\$	336,381,405	\$	373,906,880	\$	388,492,628	\$	398,982,612	\$	393,085,363	\$	408,515,833	
	0.19%		0.66%		0.84%		5.19%		0.16%		2.04%	

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			
	2002	2003	2004	2005
Excess of revenues over (under) expenditures	\$ (7,148,948)	\$ (11,379,699)	\$ (11,904,083)	\$ 29,596,361
Other financing sources (uses):				
Issuance of debt	-	-	4,100,000	-
Proceeds from sale of capital assets	450,000	222,104	23,665	23,313
Proceeds from insurance recoveries	-	-	-	-
Premiums	-	-	21,939	-
Transfers in	1,625,415	169,250	1,067,945	614,771
Transfers out	(248,789)	(169,250)	(1,117,945)	(1,237,414)
Total other financing sources (uses)	1,826,626	222,104	4,095,604	(599,330)
Net change in fund balances	\$ (5,322,322)	\$ (11,157,595)	\$ (7,808,479)	\$ 28,997,031

Source: Comprehensive Annual Financial Report

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 11,584,736	\$ (16,380,341)	\$ (11,040,011)	\$ (6,763,105)	\$ (11,525,420)	\$ 546,841
-	20,700,000	-	-	70,000,000	-
462,814	24,300	47,225	116,446	441,743	801,763
-	-	-	387,497	-	-
-	-	-	-	5,271,516	-
823,295	2,091,381	2,912,738	19,551,648	559,078	7,514,020
(823,295)	(2,091,381)	(2,912,738)	(19,551,648)	(559,078)	(7,514,020)
462,814	20,724,300	47,225	503,943	75,713,259	801,763
\$ 12,047,550	\$ 4,343,959	\$ (10,992,786)	\$ (6,259,162)	\$ 64,187,839	\$ 1,348,604

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
2000	2001-02	4,777,453,130	6,730,157,840	36,995,949	36,995,949
2001	2002-03	5,029,744,950	7,448,887,580	16,523,720	16,523,720
2002	2003-04	5,163,594,010	7,569,185,060	-	-
2003	2004-05	5,543,600,530	8,454,119,460	-	-
2004	2005-06	5,551,407,515	8,486,145,995	-	-
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	-	-

Source: Polk County Auditor and Warren County Auditor

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	
48,634,556	48,634,556	240,420,477	240,420,477	5,103,504,112	7,056,208,822	17.14047
51,348,179	51,472,448	238,491,614	238,491,614	5,336,108,463	7,755,375,362	17.10442
190,055,550	190,055,550	575,111,784	575,111,784	5,928,761,344	8,334,352,394	17.36358
47,860,812	47,920,263	241,897,198	238,380,336	5,833,358,540	8,740,420,059	18.02657
49,945,107	49,945,107	227,362,080	249,987,192	5,828,714,702	8,786,078,294	18.01394
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

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	
2000	2001-02	\$ 14.82342	\$ 0.92971	\$ 0.96000	\$ 0.13500	-	\$ 0.29234	\$ 17.14047
2001	2002-03	14.79829	1.02754	0.96000	0.13500	-	0.18359	17.10442
2002	2003-04	14.77768	1.31147	0.96000	0.13500	-	0.17943	17.36358
2003	2004-05	14.62194	2.20349	0.96000	0.13500	-	0.10614	18.02657
2004	2005-06	15.36410	1.55484	0.96000	0.13500	-	-	18.01394
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

(Continued)

Overlapping Rates

Polk County	County Hospital	City of Des Moines	City of Pleasant Hill	City of Urbandale	City of Windsor Hts	City of WDM	Bloomfield Township	Ag Extension	Assessor	State
\$ 6.34845	\$ 2.91153	\$ 17.04857	\$ 11.78489	\$ 8.96096	\$ 11.02530	\$ 10.90002	\$ 0.97526	\$ 0.03572	\$ 0.03432	\$ 0.00500
6.34845	2.99339	17.04857	11.60171	8.97000	11.58837	11.60003	0.95361	0.03670	0.34363	0.00040
6.34845	3.05863	17.04806	11.48189	9.07000	12.35119	11.60206	0.99259	0.38030	0.31715	0.00400
6.35281	3.25699	17.05539	11.48228	9.07306	12.62510	11.72777	1.26683	0.03735	0.31745	0.00400
6.34845	3.20245	16.52000	11.48189	9.07010	12.62896	11.72540	1.20791	0.03791	0.35437	0.00400
6.34845	3.49157	16.45083	11.48197	9.07393	12.21843	11.95000	1.18175	0.03771	0.29738	0.00400
6.84207	2.96959	16.59028	11.48209	9.22000	12.40322	12.04999	0.60759	0.03703	0.31349	0.00350
6.83696	2.92408	16.57606	11.48208	9.22000	14.79484	12.05000	0.60766	0.03717	0.32711	0.00350
6.82855	2.80423	16.57614	11.65000	9.22000	13.76398	12.05000	0.87750	0.03752	0.30104	0.00300
6.81833	2.92111	16.57614	11.65006	9.32000	13.31499	12.05000	0.87750	0.03631	0.27848	0.00340

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							
		Area XI College	Urbandale-WH SS Dist	Downtown SSMID	Sherman Hills Lighting #1	Sherman Hills Lighting #2	Highland Park SSMID	Ingersoll SSMID	
2000	2001-02	\$ 0.54454	\$ 0.06012	\$ 1.00000	\$ 1.50000	\$ 1.50000	\$ -	\$ -	
2001	2002-03	0.54584	0.03742	1.00000	1.50000	1.50000	-	-	
2002	2003-04	0.58184	0.04365	1.00000	1.50000	1.50000	-	-	
2003	2004-05	0.59856	0.08701	0.99883	0.80377	1.50003	-	-	
2004	2005-06	0.68408	0.17530	1.00000	1.49508	1.50003	1.75000	-	
2005	2006-07	0.68688	0.16805	1.00000	1.50003	1.50002	1.74996	-	
2006	2007-08	0.60276	0.16848	1.00000	1.49988	1.50000	1.74996	1.74997	
2007	2008-09	0.56386	0.16550	0.99813	1.49999	1.49999	1.75000	1.75000	
2008	2009-10	0.56778	0.24131	1.00000	1.49983	1.49996	1.74992	1.75000	
2009	2010-11	0.56008	0.28411	1.00472	1.49989	1.50727	1.75003	1.75001	

Source: Polk County Auditor

Des Moines Independent Community School District

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

Taxpayer	2011			2002		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Principal Financial Group, Inc.	202,610,400	1	2.87%	224,345,060	1	4.40%
Nationwide Mutual Insurance	174,018,700	2	2.47%	36,842,910	8	0.72%
Mercy Medical Plaza	155,983,000	3	2.21%	91,548,280	2	1.79%
Wellmark, Inc	126,790,000	4	1.80%			
Wells Fargo Financial Inc.	97,968,700	5	1.39%			
IA Methodist Medical Plaza	55,930,000	6	0.79%	50,202,740	4	0.98%
Employers Mutual Casualty Co	51,800,570	7	0.73%	43,347,590	6	0.85%
Meredith Corporation	31,212,800	8	0.44%	57,404,040	3	1.12%
Hubbell Realty Co.	30,428,850	9	0.43%	42,942,160	7	0.84%
Ruan Center	29,660,000	10	0.42%	44,384,000	5	0.87%
Merle Hay Mall				35,958,700	10	0.70%
SDG Macerich Proposal				36,780,310	9	0.72%
Total	\$ 956,403,020		14.13%	\$ 663,755,790		14.05%

Source: Polk County Assessor/Auditors

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
2002	\$ 83,327,610	\$ 82,693,512	99.24%	-	-	-
2003	85,353,643	84,841,216	99.40%	-	-	-
2004	87,904,026	87,744,734	99.82%	-	-	-
2005	96,308,035	95,796,242	99.47%	-	-	-
2006	96,901,103	96,704,119	99.80%	-	-	-
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%	-	-	-

Source: Polk County Auditor and District records.

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	
				General Obligation	General Obligation Capital	Qualified Zone Academy	Assessed Value		Per Capita	
				Bonds	Loan Notes	Bonds				
2002	198,682	\$ 7,056,208,822	\$ 352,810,441	\$ 2,900,000	\$ 450,000	\$ -	\$ 3,350,000	0.05%	\$ 16.86	
2003	196,093	7,755,375,362	387,768,768	1,975,000	405,000	1,000,000	3,380,000	0.04%	17.24	
2004	196,093	8,334,352,394	416,717,620	1,000,000	3,460,000	1,000,000	5,460,000	0.07%	27.84	
2005	196,093	8,740,420,059	437,021,003	-	3,015,000	1,000,000	4,015,000	0.05%	20.47	
2006	196,093	8,862,397,979	443,119,899	-	2,545,000	1,000,000	3,545,000	0.04%	18.08	
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	475,680,013	-	-	-	-	0.00%	-	

Source: Polk County Auditor, Warren County Auditor and District Records

Des Moines Independent Community School District

Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Capital Loan Notes	Qualified Zone Academy Bonds	LOST Revenue Bonds			
2002	\$ 2,900,000	\$ 450,000	\$ -	\$ -	\$ 3,350,000	0.05%	\$ 16.86
2003	1,975,000	405,000	1,000,000	-	3,380,000	0.05%	\$ 17.01
2004	1,000,000	3,460,000	1,000,000	-	5,460,000	0.08%	\$ 27.84
2005	-	3,015,000	1,000,000	-	4,015,000	0.05%	\$ 20.47
2006	-	2,545,000	1,000,000	-	3,545,000	0.05%	\$ 18.08
2007	-	2,060,000	1,000,000	19,900,000	22,960,000	0.30%	\$ 117.09
2008	-	1,570,000	1,000,000	18,300,000	20,870,000	0.26%	\$ 106.43
2009	-	1,060,000	1,000,000	-	2,060,000	0.02%	\$ 10.51
2010	-	540,000	1,000,000	70,000,000	71,540,000	0.86%	\$ 368.98
2011	-	-	-	68,360,000	68,360,000	0.83%	\$ 352.58

Source: District Records

Des Moines Independent Community School District

Direct and Overlapping Governmental Activities Debt

As of June 30, 2011

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping:			
City of Des Moines	\$ 335,075,000	96.4%	\$ 323,012,000
City of Pleasant Hill	6,870,000	24.1%	1,656,000
City of Urbandale	44,750,000	10.0%	4,475,000
City of Windsor Heights	12,820,000	0.9%	115,000
City of West Des Moines	98,700,000	0.1%	99,000
Des Moines Area Community College	79,395,000	30.1%	23,898,000
Polk County	250,642,000	35.3%	88,477,000
Warren County	197,455	5.4%	11,000
Subtotal, overlapping debt	828,449,455		441,743,000
Direct, Des Moines Independent Community School District:			
Sales tax revenue bond	68,360,000	100.0%	68,360,000
Subtotal direct debt	68,360,000		68,360,000
Total direct and overlapping debt	\$ 896,809,455		\$ 510,103,000

Source: Polk County Auditor, Warren County Treasurer, DMACC and District Records

Des Moines Independent Community School District

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

	2002	2003	2004	2005
Debt limit	\$ 352,810,441	\$ 387,768,768	\$ 416,717,620	\$ 437,021,003
Total net debt applicable to limit	3,350,000	3,380,000	5,460,000	4,015,000
Legal debt margin	\$ 349,460,441	\$ 384,388,768	\$ 411,257,620	\$ 433,006,003
Total net debt applicable to the limit as a percentage of debt limit	0.95%	0.87%	1.31%	0.92%

Source: Polk County Auditor and District Records

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value \$ 11,129,933,077

Debt limit (5% of assessed value) \$ 556,496,654

Debt applicable to limit 68,360,000

Legal debt margin \$ 488,136,654

	2006	2007	2008	2009	2010	2011
\$	443,119,899	\$ 486,808,786	\$ 494,153,352	\$ 534,253,535	\$ 544,040,013	\$ 556,496,654
	3,545,000	22,960,000	20,870,000	2,060,000	71,540,000	68,360,000
\$	439,574,899	\$ 463,848,786	\$ 473,283,352	\$ 532,193,535	\$ 472,500,013	\$ 488,136,654
	0.80%	4.72%	4.22%	0.39%	13.15%	12.28%

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			
		Principal	Interest		
2002	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A
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%

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.

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
2001	198,682	33,409	\$ 6,637,766,938	4.0%
2002	198,682	34,751	6,904,398,182	5.1%
2003	196,093	35,499	6,961,105,407	5.7%
2004	196,096	37,893	7,430,665,728	6.5%
2005	196,093	38,895	7,627,037,235	4.6%
2006	196,093	39,418	7,729,593,874	3.8%
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%

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 2008 data - most recent

Source: Iowa Workforce Development

Des Moines Independent Community School District

**Largest Public and Private Employers in Greater Des Moines
Current Year
(Unaudited)**

Employer	2011			2002		
	Employees *	Rank	Percentage of Total Employment	Employees *	Rank	Percentage of Total Employment
Principal Financial Group, Inc.		1			1	
Blank Children's Pediatric		2			4	
Mercy Medical Center		3				
Des Moines Independent CSD	4,595	5			2	
Wells Fargo		4				
CDS Global		6			5	
Des Moines Register		7				
Employers Mutuals		8				
Firestone Agricultural Tire		9			6	
Wellmark		10				
Iowa Health System					3	
Lutheran Services of Iowa					8	
Pioneer					7	
United Parcel Service					9	
Younkers					10	

Source: Iowa Workforce Development and the City of Des Moines

* Per Iowa Workforce Development, data regarding the number of employees for private sector employers is not available to the public. This is 2000 information as 2002 information was not readily available.

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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				
	2002*	2003	2004	2005	2006
Administrators					
Central Office	43.0	36.5	33.5	33.5	32.5
Elementary Schools	46.0	42.0	35.0	33.0	33.0
Middle Schools	22.0	22.0	21.5	21.5	21.5
High Schools	23.0	26.0	24.5	24.5	24.5
Special Schools	6.0	6.0	7.0	7.0	7.0
Total Administrators	140.0	132.5	121.5	119.5	118.5
Teachers					
Athletic Directors	6.0	6.0	6.0	6.0	6.0
Non-classroom teachers	3.0	9.2	14.7	33.8	35.5
Classroom teachers	1,539.6	1,529.8	1,521.4	1,442.6	1,474.9
Technology consultants	4.6	2.4	2.4	2.4	2.4
Counselors	95.4	90.9	88.4	75.0	73.9
Dean of Students	11.0	21.0	24.0	26.3	27.7
Educational tech support	7.0	2.0	2.0	2.0	1.2
ELL	67.5	65.8	66.0	66.5	67.1
Facilitator	4.5	5.8	6.9	7.9	7.9
Gifted and Talented	12.3	12.1	11.1	8.5	8.5
Head Start	15.4	16.0	14.0	15.0	15.0
Home Instruction	9.5	9.5	10.5	9.5	9.5
Library/Media specialists	25.6	24.1	22.1	14.4	9.4
Literacy trainer	-	5.0	9.2	7.2	6.0
Montessori	5.8	6.4	7.0	6.9	-
New Horizons teachers	10.1	6.0	7.0	5.0	5.0
Nurses	58.8	56.9	55.2	54.9	54.0
Nursery	1.0	1.0	1.0	1.0	-
Preschool	6.0	12.1	21.1	20.5	20.5
Reading facilitators	6.2				
Special Ed literacy support	3.8	2.8	7.8	5.8	10.6
Special Ed teachers	526.3	516.3	539.8	533.2	561.4
Special Ed consultants	30.9	32.9	33.4	32.4	30.2
Special Ed Support	97.1	99.6	103.7	100.3	115.7
Title I	190.2	174.3	165.9	156.8	172.0
Float	-	3.5	0.5	0.5	1.0
Total teachers	2,737.6	2,711.3	2,741.0	2,634.4	2,715.3
Associates					
Central Office	-	5.8	6.6	4.6	3.0
Elementary Schools	240.7	224.6	212.0	208.5	239.7
Middle Schools	84.5	72.8	71.6	68.9	69.7
High Schools	98.6	95.1	74.6	58.4	69.0
Special Schools	179.4	172.6	196.8	195.5	177.6
Total associates	603.2	570.9	561.6	535.9	559.0

* Detail unavailable

Source: District records

(Continued)

Full-Time Equivalent Employees as of June 30					Percentage
2007	2008	2009	2010	2011	Change 2002 - 2011
32.5	32.0	40.0	39.0	29.0	-32.6%
33.0	33.0	36.0	37.0	37.0	-19.6%
22.0	22.0	22.0	20.0	22.0	0.0%
26.0	29.0	28.0	29.0	21.0	-8.7%
7.0	8.0	5.0	5.0	6.0	0.0%
120.5	124.0	131.0	130.0	115.0	-17.9%
6.0	-	-	-	-	-100.0%
36.7	30.1	21.8	22.6	52.7	1656.7%
1,500.0	1,541.5	1,538.5	1,514.4	1,493.9	-3.0%
2.4	2.0	1.0	-	-	-100.0%
75.2	76.7	81.9	76.1	57.0	-40.3%
31.2	34.0	31.4	31.0	15.0	36.4%
3.4	4.2	3.0	2.5	3.0	-57.1%
85.7	84.3	81.3	81.3	84.3	24.9%
7.9	7.0	8.0	2.0	1.0	-77.8%
8.5	7.5	7.5	7.5	8.0	-35.0%
15.0	16.0	15.0	18.5	17.5	13.6%
9.5	8.5	8.5	8.0	7.0	-26.3%
9.4	8.4	8.0	8.0	5.0	-80.5%
6.0	-	-	-	-	-
-	-	-	-	-	-100.0%
5.5	6.5	8.0	4.0	-	-100.0%
53.6	55.8	55.4	54.7	57.9	-1.5%
-	-	-	-	-	-100.0%
20.5	47.5	48.0	46.5	43.5	625.0%
-	-	-	-	-	-100.0%
8.6	-	-	-	-	-100.0%
572.0	577.9	558.4	524.9	493.9	-6.2%
29.2	31.0	31.0	30.5	33.0	6.8%
124.0	132.0	126.1	124.5	112.7	16.1%
158.6	172.0	185.3	194.8	180.8	-4.9%
3.0	2.0	1.0	14.2	1.0	-
2,771.8	2,844.9	2,819.1	2,766.0	2,667.2	-2.6%
3.0	9.6	3.6	5.8	8.8	-
245.3	254.5	252.9	219.5	202.3	-15.9%
66.4	62.8	62.8	52.0	58.8	-30.4%
70.0	70.5	72.5	63.5	56.0	-43.2%
183.6	179.7	161.9	154.6	164.4	-8.4%
568.3	577.1	553.7	495.4	490.3	-18.7%

Des Moines Independent Community School District

Full-Time Equivalent District Employees By Type (Continued)

Last Ten Fiscal Years

(Unaudited)

	Full-Time Equivalent Employees as of June 30				
	2002*	2003	2004	2005	2006
Specialist, Clerical, and Paraprofessionals					
Central Office	333.7	198.5	188.5	180.6	191.6
Elementary Schools	49.5	112.7	109.2	111.7	110.8
Middle Schools	24.0	45.1	46.0	40.4	45.5
High Schools	60.0	96.2	92.3	90.3	87.6
Special Schools	6.0	9.0	13.0	24.5	15.0
Total specialists, clerical, and paraprofessionals	473.2	461.5	449.0	447.5	450.5
Food Service, Operations, Transportation and Child Care					
Central Office	322.0	327.0	300.4	333.0	326.2
Elementary Schools	283.5	274.2	279.4	282.7	282.2
Middle Schools	142.5	140.8	142.2	119.0	117.4
High Schools	145.4	141.6	144.6	131.9	128.1
Special Schools	6.9	8.4	8.1	11.0	10.4
Total food svc, oper, transportation, and child care	900.4	892.0	874.8	877.7	864.3
Total	4,854.4	4,768.2	4,747.8	4,614.9	4,707.6

* Detail unavailable

Source: District records

Full-Time Equivalent Employees as of June 30					Percentage
2007	2008	2009	2010	2011	Change 2002 - 2011
199.1	190.4	194.1	189.6	191.1	-42.7%
112.6	113.7	114.7	105.2	101.0	104.0%
57.9	56.1	47.2	58.6	61.4	155.8%
99.2	109.4	119.9	109.7	126.3	110.5%
15.0	15.1	9.4	22.6	11.4	90.0%
483.8	484.7	485.3	485.7	491.2	3.8%
328.8	357.1	365.1	345.6	414.6	28.7%
286.2	267.1	272.0	265.3	166.9	-41.1%
115.2	113.1	111.9	113.1	105.9	-25.7%
137.5	126.5	127.6	134.3	131.4	-9.6%
11.0	12.1	12.3	10.8	12.8	84.6%
878.6	876.0	888.9	869.1	831.6	-7.6%
4,823.0	4,906.7	4,878.0	4,746.2	4,595.3	-5.3%

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
2002	32,345.0	\$ 283,677,589	\$ 8,770	- %	\$ 14,415,479	\$ 446	- %
2003	32,580.0	286,006,795	8,779	0.10	14,893,030	457	2.47
2004	32,459.0	294,802,837	9,082	3.45	15,661,804	483	5.69
2005	32,139.0	286,056,402	8,901	(1.99)	16,595,349	516	6.83
2006	31,874.0	310,410,551	9,739	9.41	17,426,850	547	6.01
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	380,164,008	12,282	0.03	16,914,145	546	(0.04)

Fiscal Year	Teaching Staff	Percentage of Students Receiving Free or Reduced-Priced Meals
2002	2,737.6	46
2003	2,711.3	48
2004	2,741.0	51
2005	2,364.4	52
2006	2,715.3	56
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

Source: District Records

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

* The District did not report expenditures on a government-wide basis until it implemented GASB Statement No. 34 in 2002

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Des Moines Independent Community School District

School Building Information Last Ten Fiscal Years (Unaudited)

School	Fiscal Year			
	2002	2003	2004	2005
Elementary:				
Name (Year)	Adams	Adams	Adams	Adams
Square feet	49,995	49,995	49,995	49,995
Capacity	420	420	420	420
Enrollment	321	321	335	336
Name (Year)	Brooks	Brooks	Brooks	Brooks
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Brubaker	Brubaker	Brubaker	Brubaker
Square feet	-	-	78,224	78,224
Capacity	-	-	720	720
Enrollment	-	-	633	664
Name (Year)	Capital View	Capital View	Capital View	Capital View
Square feet	76,525	76,525	76,525	76,525
Capacity	710	710	710	710
Enrollment	579	668	600	632
Name (Year)	Carver	Carver	Carver	Carver
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Cattell	Cattell	Cattell	Cattell
Square feet	47,821	47,821	47,821	47,821
Capacity	460	460	460	460
Enrollment	446	407	405	354
Name (Year)	Cowles	Cowles	Cowles	Cowles
Square feet	42,800	42,800	42,800	42,800
Capacity	380	380	380	380
Enrollment	131	147	137	154
Name (Year)	Douglas	Douglas	Douglas	Douglas
Square feet	42,601	42,601	42,601	42,601
Capacity	575	575	575	575
Enrollment	381	372	-	-
Name (Year)	Downtown	Downtown	Downtown	Downtown
Square feet	32,767	32,767	32,767	32,767
Capacity	270	270	270	270
Enrollment	264	266	271	268
Name (Year)	Edmunds	Edmunds	Edmunds	Edmunds
Square feet	45,930	45,930	45,930	45,930
Capacity	320	320	320	320
Enrollment	291	218	237	196
Name (Year)	Findley	Findley	Findley	Findley
Square feet	38,354	38,354	38,354	38,354
Capacity	380	380	380	380
Enrollment	307	296	299	302
Name (Year)	Garton	Garton	Garton	Garton
Square feet	43,290	43,290	43,290	43,290
Capacity	500	500	500	500
Enrollment	371	351	313	343

(Continued)

		Fiscal Year					
		2006	2007	2008	2009	2010	2011
Adams	Adams	Adams	Adams	Adams	Adams	Adams	Adams
	49,995	49,995	49,995	49,995	49,995	-	-
	420	420	420	420	432	-	-
	337	294	-	-	-	-	-
Brooks	Brooks	Brooks	Brooks	Brooks	Brooks	Brooks	Brooks
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Brubaker	Brubaker	Brubaker	Brubaker	Brubaker	Brubaker	Brubaker	Brubaker
	78,224	78,224	78,224	78,224	78,224	78,224	78,224
	720	720	720	720	792	792	792
	655	717	715	684	684	680	661
Capital View	Capital View	Capital View	Capital View	Capital View	Capital View	Capital View	Capital View
	76,525	76,525	75,740	75,740	75,740	75,740	75,740
	710	710	710	720	720	720	720
	620	619	630	541	551	551	518
Carver	Carver	Carver	Carver	Carver	Carver	Carver	Carver
	-	-	93,627	91,500	91,500	91,500	91,500
	-	-	690	720	720	720	720
	-	-	647	560	606	606	558
Cattell	Cattell	Cattell	Cattell	Cattell	Cattell	Cattell	Cattell
	47,821	47,821	47,821	47,821	47,821	47,821	47,821
	460	460	460	408	408	408	408
	331	339	354	400	393	393	405
Cowles	Cowles	Cowles	Cowles	Cowles	Cowles	Cowles	Cowles
	42,800	42,800	42,800	42,800	42,800	42,800	42,800
	380	380	380	432	432	432	432
	194	224	290	299	319	319	261
Douglas	Douglas	Douglas	Douglas	Douglas	Douglas	Douglas	Douglas
	42,601	42,601	42,601	42,601	42,601	42,601	-
	575	575	575	360	360	360	-
	-	-	-	-	-	-	-
Downtown	Downtown	Downtown	Downtown	Downtown	Downtown	Downtown	Downtown
	32,767	32,767	32,767	32,767	32,767	34,966	34,966
	270	270	270	270	264	264	264
	264	272	268	258	258	293	285
Edmunds	Edmunds	Edmunds	Edmunds	Edmunds	Edmunds	Edmunds	Edmunds
	45,930	45,930	45,930	45,930	45,930	45,930	45,930
	320	320	320	240	240	240	240
	148	143	175	180	211	211	171
Findley	Findley	Findley	Findley	Findley	Findley	Findley	Findley
	38,354	38,354	38,354	38,354	38,354	38,354	38,354
	380	380	380	384	384	384	384
	296	310	358	345	323	323	273
Garton	Garton	Garton	Garton	Garton	Garton	Garton	Garton
	43,290	43,290	65,648	65,648	65,648	65,648	65,648
	500	500	460	720	720	720	720
	330	343	602	619	596	596	596

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2002	2003	2004	2005
Elementary:				
Name (Year)	Granger	Granger	Granger	Granger
Square feet	39,194	39,194	39,194	39,194
Capacity	525	525	525	525
Enrollment	386	371	363	351
Name (Year)	Greenwood	Greenwood	Greenwood	Greenwood
Square feet	45,662	58,804	58,804	58,804
Capacity	425	450	450	450
Enrollment	438	373	427	444
Name (Year)	Hanawalt	Hanawalt	Hanawalt	Hanawalt
Square feet	33,043	33,043	33,043	43,246
Capacity	380	380	380	410
Enrollment	331	376	374	349
Name (Year)	Hillis	Hillis	Hillis	Hillis
Square feet	44,825	44,825	44,825	44,825
Capacity	410	410	410	410
Enrollment	461	426	407	392
Name (Year)	Howe	Howe	Howe	Howe
Square feet	38,505	38,505	38,505	38,505
Capacity	320	320	320	320
Enrollment	270	285	262	252
Name (Year)	Hubbell	Hubbell	Hubbell	Hubbell
Square feet	37,896	37,896	37,896	48,072
Capacity	440	440	440	390
Enrollment	385	362	323	294
Name (Year)	Jackson	Jackson	Jackson	Jackson
Square feet	35,872	35,872	35,872	35,872
Capacity	420	420	420	420
Enrollment	365	370	377	407
Name (Year)	Jefferson	Jefferson	Jefferson	Jefferson
Square feet	42,750	42,750	42,750	42,750
Capacity	480	480	480	480
Enrollment	431	437	434	432
Name (Year)	King	King	King	King
Square feet	51,414	51,414	51,414	51,414
Capacity	330	330	330	330
Enrollment	323	330	371	378
Name (Year)	Longfellow	Longfellow	Longfellow	Longfellow
Square feet	31,420	31,420	31,420	31,420
Capacity	300	300	300	300
Enrollment	249	261	269	236
Name (Year)	Lovejoy	Lovejoy	Lovejoy	Lovejoy
Square feet	31,806	31,806	31,806	31,806
Capacity	310	310	310	310
Enrollment	405	389	412	373

(Continued)

		Fiscal Year					
		2006	2007	2008	2009	2010	2011
Granger	Granger/Mitchell						
		39,194	39,194	-	-	-	-
		525	525	-	-	-	-
		335	550	-	-	-	-
Greenwood	Greenwood						
		58,804	58,804	61,744	61,744	61,744	61,744
		450	450	450	456	456	456
		454	420	454	453	450	412
Hanawalt	Hanawalt						
		43,246	43,246	43,246	43,246	43,246	43,246
		410	410	410	408	408	408
		338	359	418	416	365	358
Hillis	Hillis						
		44,825	44,825	44,825	57,720	57,720	57,720
		410	410	410	420	600	600
		399	390	468	460	471	431
Howe	Howe						
		38,505	38,505	38,505	38,505	38,505	38,505
		320	320	320	312	312	312
		213	229	340	300	307	304
Hubbell	Hubbell						
		48,072	48,072	53,327	53,327	53,327	53,327
		390	390	390	456	456	456
		309	347	402	390	394	405
Jackson	Jackson						
		35,872	35,872	35,872	35,872	45,585	45,585
		420	420	420	432	456	456
		426	397	402	385	345	403
Jefferson	Jefferson						
		42,750	42,750	42,750	42,750	42,750	42,750
		480	480	480	408	408	408
		423	424	421	426	432	426
King	King						
		51,414	51,414	51,414	54,171	54,171	54,171
		330	330	330	408	408	408
		372	352	347	282	318	344
Longfellow	Longfellow						
		31,420	-	-	-	-	-
		300	-	-	-	-	-
		206	184	-	-	-	-
Lovejoy	Lovejoy						
		31,806	31,806	31,806	31,806	31,806	31,806
		310	310	310	288	288	288
		315	323	272	357	366	322

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2002	2003	2004	2005
Elementary:				
Name (Year)	Madison	Madison	Madison	Madison
Square feet	42,049	42,049	42,049	42,049
Capacity	430	430	430	430
Enrollment	346	329	334	341
Name (Year)	Mann	Mann	Mann	Mann
Square feet	32,940	32,940	32,940	32,940
Capacity	325	325	325	325
Enrollment	-	-	-	-
Name (Year)	McKee	McKee	McKee	McKee
Square feet	43,400	43,400	43,400	43,400
Capacity	375	375	375	375
Enrollment	280	276	-	-
Name (Year)	McKinley	McKinley	McKinley	McKinley
Square feet	37,228	49,994	49,994	49,994
Capacity	220	380	380	380
Enrollment	286	277	324	305
Name (Year)	Mitchell	Mitchell	Mitchell	Mitchell
Square feet	31,682	31,682	31,682	31,682
Capacity	350	350	350	350
Enrollment	283	263	275	251
Name (Year)	Monroe	Monroe	Monroe	Monroe
Square feet	73,997	73,997	73,997	73,997
Capacity	660	660	660	660
Enrollment	496	521	513	516
Name (Year)	Moore	Moore	Moore	Moore
Square feet	45,334	45,334	45,334	45,334
Capacity	440	440	440	440
Enrollment	325	337	327	322
Name (Year)	Morris	Morris	Morris	Morris
Square feet	74,684	74,684	74,684	74,684
Capacity	700	700	700	700
Enrollment	567	528	557	586
Name (Year)	Moulton	Moulton	Moulton	Moulton
Square feet	121,650	121,650	121,650	121,650
Capacity	620	620	620	620
Enrollment	366	445	443	444

(Continued)

		Fiscal Year							
		2006	2007	2008	2009	2010	2011		
Madison	Madison	Madison	Madison	Madison	Madison	Madison	Madison	Madison	
	42,049	42,049	42,049	42,049	42,049	42,049	42,049	42,049	42,049
	430	430	430	430	408	408	408	408	408
	332	314	359	359	334	368	368	368	316
Mann	Mann	Mann	Mann	Mann	Mann	Mann	Mann	Mann	
	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940
	325	325	325	325	312	312	312	312	312
	-	-	-	-	-	-	-	-	-
McKee	McKee	McKee	McKee	McKee	McKee	McKee	McKee	McKee	
	43,400	43,400	43,400	43,400	43,400	43,400	43,400	43,400	43,400
	375	375	375	375	384	Varies	Varies	Varies	Varies
	-	-	-	-	-	-	-	-	-
McKinley	McKinley	McKinley	McKinley	McKinley	McKinley	McKinley	McKinley	McKinley	
	49,994	49,994	49,994	49,994	49,994	49,994	49,994	49,994	49,994
	380	380	380	380	360	360	360	360	360
	304	337	363	363	292	292	292	292	316
Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	Mitchell - Bridges	
	31,682	31,682	31,682	31,682	31,682	31,682	31,682	31,682	31,682
	350	350	350	350	264	Varies	Varies	Varies	Varies
	114	118	135	135	-	-	-	-	-
Monroe	Monroe	Monroe	Monroe	Monroe	Monroe	Monroe	Monroe	Monroe	
	73,997	73,997	73,997	73,997	73,997	73,997	73,997	73,997	73,997
	660	660	660	660	576	576	576	576	576
	492	526	533	533	523	485	485	485	501
Moore	Moore	Moore	Moore	Moore	Moore	Moore	Moore	Moore	
	45,334	45,334	45,334	45,334	45,334	45,334	45,334	45,334	45,334
	440	440	440	440	504	504	504	504	504
	320	287	-	-	-	-	-	-	266
Morris	Morris	Morris	Morris	Morris	Morris	Morris	Morris	Morris	
	74,684	74,684	70,656	70,656	70,656	70,656	70,656	70,656	70,656
	700	700	700	700	744	744	744	744	744
	563	577	583	583	630	691	691	691	602
Moulton	Moulton	Moulton	Moulton	Moulton	Moulton	Moulton	Moulton	Moulton	
	121,650	121,650	121,650	121,650	121,650	121,650	121,650	121,650	121,650
	620	620	620	620	744	744	744	744	744
	528	514	460	460	419	398	398	398	366

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2002	2003	2004	2005
Elementary:				
Name (Year)	Oak Park	Oak Park	Oak Park	Oak Park
Square feet	50,255	20,255	59,497	59,497
Capacity	385	385	380	380
Enrollment	411	366	320	331
Name (Year)	Park Avenue	Park Avenue	Park Avenue	Park Avenue
Square feet	59,565	59,565	59,565	59,565
Capacity	560	560	560	560
Enrollment	502	507	464	474
Name (Year)	Perkins	Perkins	Perkins	Perkins
Square feet	50,440	50,440	50,440	50,440
Capacity	440	440	440	440
Enrollment	321	340	342	361
Name (Year)	Phillips	Phillips	Phillips	Phillips
Square feet	38,575	38,575	41,936	41,936
Capacity	400	400	380	380
Enrollment	340	338	337	361
Name (Year)	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill
Square feet	36,161	36,161	36,161	36,161
Capacity	310	310	310	310
Enrollment	291	320	307	303
Name (Year)	Rice	Rice	Rice	Rice
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	River Woods	River Woods	River Woods	River Woods
Square feet	58,126	58,126	58,126	58,126
Capacity	500	500	500	500
Enrollment	529	520	508	537
Name (Year)	Samuelson	Samuelson	Samuelson	Samuelson
Square feet	37,500	37,500	37,500	37,500
Capacity	350	350	350	350
Enrollment	-	-	-	-
Name (Year)	Smouse	Smouse	Smouse	Smouse
Square feet	53,809	53,809	53,809	53,809
Capacity	NA	NA	NA	NA
Enrollment	106	108	106	108
Name (Year)	South Union	South Union	South Union	South Union
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-

(Continued)

		Fiscal Year					
		2006	2007	2008	2009	2010	2011
Oak Park	Oak Park	Oak Park	Oak Park	Oak Park	Oak Park	Oak Park	Oak Park
	59,497	59,497	59,497	59,497	59,497	59,497	59,497
	380	380	380	408	408	408	408
	355	399	405	403	410	403	403
Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue	Park Avenue
	59,565	59,565	59,565	59,565	59,565	59,565	59,565
	560	560	560	552	552	552	552
	436	423	481	482	502	457	457
Perkins	Perkins	Perkins	Perkins	Perkins	Perkins	Perkins	Perkins
	50,440	56,540	56,540	56,540	56,540	56,540	56,540
	440	440	420	432	432	432	432
	361	423	453	460	438	461	461
Phillips	Phillips	Phillips	Phillips	Phillips	Phillips	Phillips	Phillips
	41,936	41,936	41,936	41,936	41,936	41,936	41,936
	380	380	380	336	336	336	336
	343	344	370	379	394	359	359
Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill	Pleasant Hill
	36,161	36,161	36,161	36,161	36,161	36,161	36,161
	310	310	310	312	312	312	312
	316	328	347	316	310	270	270
Rice	Rice	Rice	Rice	Rice	Rice	Rice	Rice
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
River Woods	River Woods	River Woods	River Woods	River Woods	River Woods	River Woods	River Woods
	58,126	58,126	58,126	58,126	58,126	58,126	58,126
	500	500	500	504	504	504	504
	546	518	491	501	530	489	489
Samuelson	Samuelson	Samuelson	Samuelson	Samuelson	Samuelson	Samuelson	Samuelson
	37,500	37,500	56,586	56,586	56,586	56,586	56,586
	350	350	506	504	504	504	504
	-	-	-	467	475	481	481
Smouse	Smouse	Smouse ****	Smouse ****	Smouse	Smouse	Smouse	Smouse
	53,809	53,809	53,809	53,809	53,809	53,809	53,809
NA	NA	NA	NA	NA	NA	NA	NA
	119	123	121	136	137	110	110
South Union	South Union	South Union	South Union	South Union	South Union	South Union	South Union
	-	68,508	68,508	68,508	68,508	68,508	68,508
	-	630	630	696	696	696	696
	-	553	572	560	533	542	542

Des Moines Independent Community School District

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

School	Fiscal Year			
	2002	2003	2004	2005
Elementary:				
Name (Year)	Stowe	Stowe	Stowe	Stowe
Square feet	36,000	36,000	36,000	36,000
Capacity	400	400	400	400
Enrollment	333	321	313	288
Name (Year)	Studebaker	Studebaker	Studebaker	Studebaker
Square feet	42,272	42,272	42,272	42,272
Capacity	420	420	420	420
Enrollment	369	414	432	429
Name (Year)	Wallace	Wallace	Wallace	Wallace
Square feet	31,960	31,960	31,960	31,960
Capacity	360	360	360	360
Enrollment	356	355	343	344
Name (Year)	Walnut Street	Walnut Street	Walnut Street	Walnut Street +---
Square feet	-	-	-	37,206
Capacity	-	-	-	NA
Enrollment	-	-	-	54
Name (Year)	Watrous	Watrous	Watrous	Watrous
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Willard	Willard	Willard	Willard
Square feet	47,700	59,301	59,301	59,301
Capacity	450	560	560	560
Enrollment	373	336	366	364
Name (Year)	Windsor	Windsor	Windsor	Windsor
Square feet	55,510	55,510	55,510	55,510
Capacity	420	420	420	420
Enrollment	396	379	356	367
Name (Year)	Woodlawn	Woodlawn	Woodlawn	Woodlawn
Square feet	46,548	46,548	46,548	46,548
Capacity	450	450	450	450
Enrollment	461	447	420	378
Name (Year)	Wright	Wright	Wright	Wright
Square feet	30,300	30,300	30,300	30,300
Capacity	310	310	310	310
Enrollment	283	272	280	283

(Continued)

		Fiscal Year					
		2006	2007	2008	2009	2010	2011
Stowe	Stowe	Stowe	Stowe	Stowe	Stowe	Stowe	Stowe
	36,000	36,000	36,000	56,967	56,967	56,967	
	400	400	400	408	408	408	
	294	267	352	364	408	416	
Studebaker	Studebaker	Studebaker	Studebaker	Studebaker	Studebaker	Studebaker	Studebaker
	42,272	42,272	42,272	42,272	42,272	42,272	
	420	420	420	456	456	456	
	449	477	461	437	435	454	
Wallace	Wallace	Wallace	Wallace	Wallace	Wallace	Wallace	Wallace
	31,960	31,960	31,960	31,960	31,960	31,960	
	360	360	360	360	360	360	
	348	346	-	-	-	-	
Walnut Street	Walnut Street	Walnut Street ++++	Walnut Street ++++	Walnut Street	Walnut Street	Walnut Street	Walnut Street
	37,206	38,800	38,800	58,212	58,212	58,212	
NA	NA	NA	NA	NA	NA	NA	NA
	93	104	212	248	250	205	
Watrous	Watrous	Watrous	Watrous	Watrous	Watrous	Watrous	Watrous
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Willard	Willard	Willard	Willard	Willard	Willard	Willard	Willard
	59,301	59,301	59,301	59,301	59,301	59,301	
	560	560	560	600	600	600	
	405	387	427	434	437	432	
Windsor	Windsor	Windsor	Windsor	Windsor	Windsor	Windsor	Windsor
	55,510	55,510	60,475	60,475	60,475	60,475	
	420	420	420	408	408	408	
	341	346	375	415	400	384	
Woodlawn	Woodlawn	Woodlawn	Woodlawn	Woodlawn	Woodlawn	Woodlawn	Woodlawn
	46,548	46,548	46,548	46,548	46,548	46,548	
	450	450	450	504	504	504	
	417	394	534	-	-	-	
Wright	Wright	Wright	Wright	Wright	Wright	Wright	Wright
	30,300	30,300	30,300	30,300	30,300	30,300	
	310	310	310	312	312	312	
	301	282	284	273	252	273	

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2002	2003	2004	2005
Middle:				
Name (Year)	Brody	Brody	Brody	Brody
Square feet	90,500	90,500	90,500	90,500
Capacity	650	650	650	650
Enrollment	758	758	740	673
Name (Year)	Callanan	Callanan	Callanan	Callanan
Square feet	109,920	116,037	116,037	116,037
Capacity	530	700	700	700
Enrollment	674	616	619	603
Name (Year)	Goodrell	Goodrell	Goodrell	Goodrell
Square feet	102,230	102,230	102,230	102,230
Capacity	700	700	700	700
Enrollment	659	630	618	644
Name (Year)	Harding	Harding	Harding	Harding
Square feet	125,339	125,339	125,339	125,339
Capacity	840	840	840	840
Enrollment	839	752	759	689
Name (Year)	Hiatt	Hiatt	Hiatt	Hiatt
Square feet	103,060	103,060	103,060	103,060
Capacity	800	800	800	800
Enrollment	626	643	588	567
Name (Year)	Hoyt	Hoyt	Hoyt	Hoyt
Square feet	99,874	99,874	99,874	99,874
Capacity	750	750	750	750
Enrollment	586	597	680	658
Name (Year)	Kurtz	Kurtz	Kurtz	Kurtz
Square feet	106,264	106,264	106,264	106,264
Capacity	730	730	730	730
Enrollment	-	-	-	-
Name (Year)	McCombs	McCombs	McCombs	McCombs
Square feet	78,978	78,978	78,978	78,978
Capacity	650	650	650	650
Enrollment	585	616	673	667
Name (Year)	Meredith	Meredith	Meredith	Meredith
Square feet	97,984	107,316	107,316	107,316
Capacity	850	850	850	850
Enrollment	846	877	828	769
Name (Year)	Merrill	Merrill	Merrill	Merrill
Square feet	89,500	89,500	89,500	89,500
Capacity	650	650	650	650
Enrollment	641	654	660	633

(Continued)

		Fiscal Year					
		2006	2007	2008	2009	2010	2011
Brody	Brody						
		90,500	90,500	90,500	90,500	90,500	90,500
		650	650	650	637	637	637
		646	709	738	720	688	689
Callanan	Callanan						
		116,037	116,037	116,037	116,037	116,037	116,037
		700	700	700	828	828	828
		644	621	591	612	604	607
Goodrell	Goodrell						
		102,230	102,230	110,495	110,495	110,495	110,495
		700	700	700	871	871	871
		674	631	611	591	614	608
Harding	Harding						
		125,339	125,339	125,339	125,339	125,339	125,339
		840	840	840	828	828	828
		589	562	530	557	581	556
Hiatt	Hiatt						
		103,060	103,060	103,060	103,060	103,060	103,060
		800	800	800	743	743	743
		495	465	484	504	533	579
Hoyt	Hoyt						
		99,874	99,874	99,874	99,874	99,874	99,874
		750	750	750	850	850	850
		632	625	590	608	594	580
Kurtz	Kurtz			Kurtz %	Kurtz %	Kurtz %	Kurtz %
		106,264	106,264	106,264	106,264	106,264	106,264
		730	730	730	637	637	637
		-	-	-	-	-	-
McCombs	McCombs						
		78,978	78,978	78,978	78,978	78,978	78,978
		650	650	650	701	701	701
		628	611	589	582	594	626
Meredith	Meredith						
		107,316	107,316	107,316	107,316	107,316	107,316
		850	850	850	871	871	871
		745	676	654	645	638	607
Merrill	Merrill						
		89,500	89,500	89,500	89,500	89,500	89,500
		650	650	650	658	658	658
		620	627	608	592	615	623

Des Moines Independent Community School District

School Building Information (Continued)

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2002	2003	2004	2005
Middle:				
Name (Year)	Van Meter	Van Meter	Van Meter	Van Meter
Square feet	56,460	56,460	56,460	56,460
Capacity	NA	NA	NA	NA
Enrollment	234	234	229	231
Name (Year)	Weeks	Weeks	Weeks	Weeks
Square feet	103,564	103,564	118,770	118,770
Capacity	880	880	900	900
Enrollment	881	865	822	813
High:				
Name (Year)	Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Central Campus/ Scavo @	Central Campus/ Scavo @	Central Campus/ Scavo @	Central Campus/ Scavo @
Square feet	456,660	456,660	456,660	456,660
Capacity	1,500	1,500	1,500	1,500
Enrollment	2,824	2,440	2,414	2,543
Name (Year)	East	East	East	East
Square feet	355,293	355,293	355,293	355,293
Capacity	1,950	1,950	1,950	2,100
Enrollment	1,732	1,841	1,970	2,125
Name (Year)	Hoover	Hoover	Hoover	Hoover
Square feet	183,400	183,400	183,400	183,400
Capacity	1,175	1,175	1,175	1,175
Enrollment	1,251	1,260	1,197	1,210
Name (Year)	Lincoln	Lincoln	Lincoln	Lincoln
Square feet	269,905	269,905	269,905	269,905
Capacity	1,800	1,800	1,800	1,800
Enrollment	2,221	2,330	2,179	2,157
Name (Year)	North	North	North	North
Square feet	220,960	220,960	220,960	220,960
Capacity	1,150	1,150	1,150	1,150
Enrollment	1,164	1,262	1,198	1,186
Name (Year)	Roosevelt	Roosevelt	Roosevelt	Roosevelt
Square feet	282,050	282,050	282,050	282,050
Capacity	1,550	1,550	1,550	1,550
Enrollment	1,616	1,610	1,583	1,636

(Continued)

		Fiscal Year					
		2006	2007	2008	2009	2010	2011
Van Meter	Van Meter	Van Meter ****	Van Meter ****	Van Meter ****	Van Meter ****	Van Meter ****	Van Meter ****
	56,460	56,460	56,460	56,460	56,460	56,460	56,460
	NA	NA	NA	NA	NA	403	403
	218	211	192	189	170	168	168
Weeks	Weeks	Weeks	Weeks	Weeks	Weeks	Weeks	Weeks
	118,770	118,770	112,390	112,390	112,390	112,390	112,390
	900	900	900	1,041	1,041	1,041	1,041
	789	728	754	757	749	677	677
Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$	Central Academy \$	Central Academy @	Central Academy @	Central Academy @
	-	-	86,426	86,426	86,426	86,426	86,426
	-	-	-	658	658	658	658
	-	-	-	-	-	-	959
Central Campus/ Scavo @	Central Campus/ Scavo @	Central Campus/ Scavo @	Central Campus/ Scavo @	Central Campus/ Scavo @	Central Campus/ Scavo @	Central Campus/ Scavo @	Central Campus/ Scavo @
	456,660	456,660	456,660	456,660	456,660	456,660	456,660
	1,500	1,500	1,500	1,615	1,615	1,615	1,615
	2,499	2,587	2,635		305	1,683	1,683
East	East	East	East	East	East	East	East
	355,293	355,293	344,376	344,376	344,376	344,376	344,376
	2,100	2,100	2,100	2,337	2,337	2,337	2,337
	2,115	2,191	2,216	2,160	2,224	2,266	2,266
Hoover	Hoover	Hoover	Hoover	Hoover	Hoover	Hoover	Hoover
	183,400	183,400	183,400	183,400	183,400	183,400	183,400
	1,175	1,175	1,175	1,083	1,083	1,083	1,083
	1,212	1,188	1,174	1,115	1,130	1,075	1,075
Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	Lincoln	Lincoln
	269,905	269,905	312,628	312,628	312,628	312,628	312,628
	1,800	1,900	1,800	1,848	1,848	1,848	1,848
	2,126	2,175	2,203	2,181	2,262	2,252	2,252
North	North	North	North	North	North	North	North
	220,960	220,960	220,960	220,960	220,960	220,960	220,960
	1,150	1,150	1,150	1,147	1,147	1,147	1,147
	1,156	1,132	1,139	1,133	1,170	1,133	1,133
Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt	Roosevelt
	282,050	282,050	282,050	282,050	239,117	239,117	239,117
	1,550	1,550	1,550	1,145	1,678	1,678	1,678
	1,591	1,622	1,671	1,654	1,654	1,628	1,628

Des Moines Independent Community School District

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

School	Fiscal Year			
	2002	2003	2004	2005
Other:				
Name (Year)	Casady	Casady	Casady	Casady
Square feet	43,709	43,709	43,709	43,709
Capacity	Varies	Varies	Varies	Varies
Enrollment	-	-	-	-
Name (Year)	CNC	CNC	CNC	CNC
Square feet	-	-	56,186	56,186
Capacity	-	-	Varies	Varies
Enrollment	-	-	-	-
Name (Year)	MSSV	MSSV	MSSV	MSSV
Square feet	52,573	52,573	52,573	52,573
Capacity	Varies	Varies	Varies	Varies
Enrollment	-	-	-	-
Name (Year)	Operations Center	Operations Center	Operations Center	Operations Center
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Walker Street	Walker Street	Walker Street	Walker Street
Square feet	-	33,481	33,481	33,481
Capacity	-	Varies	Varies	Varies
Enrollment	-	-	-	-
Name (Year)	Walnut St Administration	Walnut St Administration	Walnut St Administration	Walnut St Administration
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Name (Year)	Welcome Center	Welcome Center	Welcome Center	Welcome Center
Square feet	-	-	-	6,200
Capacity	-	-	-	Varies
Enrollment	-	-	-	-
Name (Year)	Grounds Maintenance	Grounds Maintenance	Grounds Maintenance	Grounds Maintenance
Square feet	22,248	22,248	22,248	22,248
Capacity	Varies	Varies	Varies	Varies
Enrollment	-	-	-	-

Source: District records.

@ Students not always at this building. Move from building to building for these programs

**** 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.

++++ School not completed yet, still expanding.

% These buildings are being used to house the 9th graders from our high schools. The numbers for capacity and enrollment are rolled in with the high schools.

^ FY2009 information has updated square footages and capacity calculations per Facilities Department.

\$ Building in process of renovation for student use in FY09, therefore, no ideal capacity or enrollment data for FY08.

		Fiscal Year					
		2006	2007	2008	2009	2010	2011
Casady	Casady	43,709	43,709	43,709	43,709	43,709	43,709
		Varies	Varies	Varies	Varies	Varies	Varies
		-	-	-	-	-	-
CNC	CNC	56,186	56,186	56,186	56,186	56,186	56,186
		Varies	Varies	Varies	Varies	Varies	Varies
		-	-	-	-	-	-
MSSV	MSSV	52,573	52,573	52,573	52,573	52,573	52,573
		Varies	Varies	Varies	Varies	Varies	Varies
		-	-	-	-	-	-
Operations Center	Operations Center	-	-	-	-	97,404	97,404
		-	-	-	-	Varies	Varies
		-	-	-	-	-	-
Walker Street	Walker Street	33,481	33,481	33,481	33,481	33,481	33,481
		Varies	Varies	Varies	467	467	467
		-	-	-	-	-	-
Walnut St Administration	Walnut St Administration	-	77,600	77,600	58,212	58,212	58,212
		-	Varies	Varies	Varies	Varies	Varies
		-	-	-	-	-	-
Welcome Center	Welcome Center	6,200	6,200	6,200	6,200	6,200	6,200
		Varies	Varies	Varies	Varies	Varies	Varies
		-	-	-	-	-	-
Grounds Maintenance	Grounds Maintenance	22,248	22,248	22,248	22,248	22,248	-
		Varies	Varies	Varies	Varies	Varies	-
		-	-	-	-	-	-

Des Moines Independent Community School District

Capital Asset Information

Last Ten Fiscal Years

(Unaudited)

Schools	Fiscal Year			
	2002	2003	2004	2005
Elementary:				
Buildings	44	44	45	46
Square feet	2,004,103	1,998,470	2,139,676	2,176,882
Capacity	18,255	18,525	19,200	19,200
Enrollment	15,091	15,064	14,805	14,786
Middle:				
Buildings	12	12	12	12
Square feet	1,163,673	1,179,122	1,194,328	1,194,328
Capacity	8,030	8,200	8,220	8,220
Enrollment	7,329	7,242	7,216	6,947
High:				
Buildings	6	6	6	6
Square feet	1,768,268	1,768,268	1,768,268	1,768,268
Capacity	9,125	9,125	9,125	9,275
Enrollment	10,808	10,743	10,541	10,857
Other:				
Buildings	2	3	4	5
Square feet	118,530	152,011	208,197	214,397
Capacity	Varies	Varies	Varies	Varies
Enrollment	NA	NA	NA	NA
Administrative:				
Buildings	1	1	1	1
Square feet	43,709	43,709	43,709	43,709
Transportation:				
Garages	1	1	1	1
Buses	122	134	128	138
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	44	44	45	46

Source: District records.

Fiscal Year					
2006	2007	2008	2009	2010	2011
45	45	46	46	43	44
2,145,462	2,229,859	2,365,082	2,418,986	2,305,821	2,335,017
18,900	19,055	19,791	20,532	20,040	19,584
14,927	15,012	15,881	15,428	15,565	15,286
12	12	12	12	12	12
1,194,328	1,194,328	1,196,213	1,196,213	1,196,213	1,196,213
8,220	8,220	8,220	8,665	9,068	9,068
6,680	6,466	6,341	6,357	6,380	6,320
6	6	7	7	7	8
1,768,268	1,768,268	1,886,500	1,886,500	1,843,567	1,888,901
9,275	9,375	9,275	9,833	10,366	10,870
10,699	10,895	11,038	8,243	8,745	11,262
5	6	6	6	8	7
214,397	214,397	214,397	214,397	445,095	289,553
Varies	Varies	Varies	Varies	Varies	Varies
NA	NA	NA	NA	NA	NA
1	1	1	1	1	1
43,709	77,600	77,600	58,212	58,212	58,212
1	1	1	1	1	1
139	138	131	131	134	135
5	5	5	5	5	5
-	-	-	-	-	-
6	6	6	6	6	6
10	10	10	10	10	10
8	8	8	8	8	8
45	45	46	46	46	44

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Des Moines Independent Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture:			
(Passed through Iowa Department of Education):			
School Breakfast Program	10.553	42-6004525	\$ 1,845,454
National School Lunch Program	10.555	42-6004525	7,650,581
NSLP - Fruit and Vegetable Program	10.555	42-6004525	407,234
Child and Adult Care Food Program	10.558	42-6004525	315,399
Summer Food Service Program for Children	10.559	42-6004525	224,358
Team Nutrition	10.574	42-6004525	1,496
USDA 2010 NSLP Equipment Assistant	10.579	42-6004525	51,762
NSLP - USDA Commodities	10.555	42-6004525	888,337
			11,384,621
(Passed through Iowa Department of Public Health):			
State Administrative Matching Grants for Food Stamp Program	10.561	42-6004523	90,246
Total U.S. Department of Agriculture			11,474,867
U.S. Department of Housing and Urban Development:			
(Passed through City of Des Moines),			
Community Development Block Grant (CDBG)	14.218	42-6004514	7,143
U.S. Department of Education:			
(Direct):			
Readiness & Emergency Management Grant	84.184E	42-6001433	75,891
Elementary & Secondary Counseling Demonstration Grant	84.215E	42-6001433	426,227
Smaller Learning Communities - Implementation	84.215L	42-6001433	1,236,671
Teaching American History	84.215X	42-6001433	248,308
Gaining Early Awareness and Readiness (GEAR UP)	84.334	42-6001433	1,088,839
Early Childhood Harkin Earmark Grant	84.215K	42-6001433	595,091
Full Service Community Harking Earmark Grant	84.215K	42-6001433	117,637
Fitness on the Move Carol White PE Grant	84.215F	42-6001433	518,680
Preparing Early Readers for Kindergarten Grant	84.359B	42-6001433	1,443,904
Fine Arts Model for Education (FAME) Grant	84.351C	42-6001433	343,892
High School Graduation Initiative	84.360	42-6001433	577,959
			6,673,099

(Continued)

Des Moines Independent Community School District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
(Passed Through Iowa Department of Education):			
Title I Grants to Local Educational Agencies	84.010A	42-6004525	8,456,625
Special Education Grants to States, Online			
Units for Component Instruction	84.027	42-6004525	79,650
Secondary Professional Development	84.323A	42-6004525	21,598
Vocational Education Basic Grants to States	84.048	42-6004525	490,056
Safe and Drug Free Schools and Communities	84.186	42-6004525	105,933
Improving Teacher Quality State Grant (Title II)	84.367	42-6004525	2,023,054
Education Technology State Grant (Technology Literacy			
Challenge Grant)	84.318	42-6004525	159,547
Education for Homeless Children & Youth	84.196	42-6004525	22,043
English Language Acquisition Grants (Title III ELL/LEP)	84.365	42-6004525	326,945
English Language Acquisition Grants (Title III Immigrant Children)	84.365	42-6004525	250,782
Reading First	84.357	42-6004525	197,326
Grants for State Assessments & Related Activities	84.369	42-6004525	195,325
Iowa Fire Life Safety Grant - Local Educational Agencies	84.215K	42-6004525	291,659
Math Partnership Program	84.281	42-6004525	178,014
Science Partnership Program	84.366B	42-6004525	102,780
Advanced Placement Program	84.330	42-6004525	15,651
21st Century Community Learning Centers	84.287	42-6004525	1,299,085
Safe and Supportive Schools	84.184	42-6004525	4,816
ARRA - State Fiscal Stabilization for State Aid	84.394	42-6004525	1,768,961
ARRA - Teacher Quality Partnership	84.405	42-6004525	437
ARRA - State Fiscal Stabilization Government Services	84.397	42-6004525	1,577,830
ARRA - Title I Basic	84.389	42-6004525	3,670,408
ARRA - Title I School Improvement	84.388	42-6004525	3,810,045
ARRA - Enhancing Education through Technology	84.386	42-6004525	401,189
ARRA - Education Jobs Fund	84.410	42-6004525	1,642,269
			27,092,028
(Passed through Heartland Area Education Agency 11):			
Special Education Grants to States (Individuals with Disabilities			
Education Act)	84.027	42-1028173	1,928,469
Special Education Grants to States (Handicapped Preschool			
Program Vocational Assessment)	84.027	42-1028173	5,524,674
Special Education Grants to States (Grants for Infants and			
Families with Disabilities)	84.181	42-1028173	230,706
Parent Education Project	84.029	42-1028173	30,159
Special Education Preschool Grants (Least Restrictive			
Environment Coordinator)	84.173	42-1028173	171,417
ARRA - Stabilization - Special Ed IDEA Part B Section 611	84.391	42-1028173	1,406,946
ARRA - Stabilization - Special Ed IDEA Part B Section 619	84.392	42-1028173	143,850
ARRA - Stabilization - Special Ed IDEA Part C	84.393	42-1028173	152,698
			9,588,919

(Continued)

Des Moines Independent Community School District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
(Passed through Iowa College Student Aid Commission): Gaining Early Awareness and Readiness (GEAR UP)	84.334	42-00891451	98,928
(Passed through School Administrators of Iowa): Parent Information Resource Center Grant	84.310A	42-1300888	3,470
Total U.S. Department of Education			<u>43,456,444</u>
U.S. Department of Health and Human Services:			
(Passed through Iowa Department of Education): Comprehensive School Health Programs	93.938	42-6004525	750
Refugee Assistance Program	93.576	42-6004525	277,022
			<u>277,772</u>
(Passed through State of Iowa Department of Public Health), Youth Suicide Prevention (Teen Screen)	93.243	42-6004525	36,881
(Passed through State of Iowa Economic Development) AmerCorp	94.006	42-6004525	111,083
(Passed through Drake University) Head Start	93.600	42-0680460	1,609,477
ARRA - Head Start	93.708	42-0680460	27,519
			<u>1,636,996</u>
Total U.S. Department of Health and Human Services			<u>2,062,732</u>
U.S. Department of Defense,			
(Direct) Air Education & Training Command	12.999	N/A	118,454
(Direct) National Security Agency - Startalk	12.900	N/A	69,357
Total U.S. Department of Defense			<u>187,811</u>
U.S. Department of Justice			
(Passed through City of Des Moines), Secure our School	16.710	42-6004514	80,098
Total Expenditures of Federal Awards			<u>\$ 57,269,095</u>

See Notes to Schedule of Expenditures of Federal Awards.

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Des Moines Independent Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2011

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Des Moines Independent Community School District for the year ended June 30, 2011. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

For governmental funds, in accordance with the modified accrual basis of accounting, revenue from federal grants is recognized when they become both measurable and available. For proprietary funds, in accordance with the accrued basis of accounting, revenues from federal grants are recognized in the period they are earned. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Pass-Through Funding

Of the federal expenditures presented in the schedule, the District provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
Title I Grants to Local Educational Agencies	84.010A	\$ 90,483
Education for Homeless Children and Youth	84.196	20,000
ARRA - Title I Basic	84.389	32,953

Note 4. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$888,337 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, CFDA No. 10.555.

Des Moines Independent Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011**

	Findings	Status	Corrective Action Plan or Other Explanation
Significant Deficiencies in Internal Control:			
10-II-A	The District does not have adequate segregation of duties needed over student activity funds at the schools.	Uncorrected	See similar finding and corrective action plan at 11-II-A
Instances of Noncompliance over Federal Awards			
10-III-A	The District did not serve eligible schools or attendance areas in rank order according to their poverty level.	Corrected	
10-III-B	The District did not ensure vendors providing goods and services under covered transactions were not suspended or debarred.	Corrected	
10-III-C	The District was unable to provide documentation of Federal activity for multiple employees that were charged to the program.	Partially Corrected	See similar finding and corrective action plan at 11-III-A
10-III-D	The District did not notify the State of its intent to spend less than 20% of its Title I allocation on choice related transportation or supplemental services.	Corrected	

(Continued)

Des Moines Independent Community School District

**Summary Schedule of Prior Audit Findings (Continued)
Year Ended June 30, 2011**

	Findings	Status	Corrective Action Plan
Other Findings Related to Required Statutory Reporting			
10-IV-A	Expenditures for the year ended June 30, 2010 exceeded the final amended certified budget amounts in the other function by \$283,658.	Corrected	
10-IV-F	The District did not publish board minutes as required by Chapter 279.35 and 279.36 of the Code of Iowa.	Corrected	
10-IV-G	Documentation to support the number of foster care students reported as enrolled is not maintained.	Uncorrected	See similar finding and corrective action plan at 11-IV-G
10-IV-I	The District held deposits and investments at one institution in excess of the amount authorized by the Board of Education.	Uncorrected	See similar finding and corrective action plan at 11-IV-I
10-IV-J	The District reported the value of the investments held in the Pension Trust Fund at cost; with no adjustment for fair value. This resulted in a \$15.3 million difference in the amount reported on the CAR and the amount reported on the District's financial statements.	Corrected	
10-IV-M	The Preschool Fund, Child Care Fund and Collage Fund had deficit balances as of June 30, 2010 of \$677,879, \$253,772 and \$79,158, respectively.	Uncorrected	See similar finding and corrective action plan at 11-IV-M
10-IV-N	The District did not properly advertise disposals of property having a value of not more than five thousand dollars.	Corrected	

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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Des Moines Independent Community School District (the District) as of and for the year ended June 30, 2011, which collectively comprise the Des Moines Independent Community School District's basic financial statements and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 11-II-A that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the District. Since our audit was based on tests and samples not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters in Section IV of the schedule of findings and questioned costs are not intended to constitute legal interpretation of those statutes.

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

We noted certain matters that we reported to management of the District in a separate letter dated December 16, 2011.

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

McGladrey & Pullen, LLP

Des Moines, Iowa
December 16, 2011



**Independent Auditor's Report on Compliance With
Requirements that Could Have a Direct and Material
Effect on Each Major Program and on
Internal Control over Compliance in Accordance with
OMB Circular A-133**

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

Compliance

We have audited Des Moines Independent Community School District's (the District) compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying *Schedule of Findings and Questioned Costs* as items 11-III-A and 11-III-B.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The District's responses to the findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. We did not audit the District's response and, accordingly, we express no opinion on it.

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

McGladrey & Pullen, LLP

Des Moines, Iowa
December 16, 2011

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2011**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- . Material weakness(es) identified? Yes No
- . Significant deficiencies identified? Yes None Reported
- . Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- . Material weakness(es) identified? Yes No
- . Significant deficiencies identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- . Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major program:

CFDA Number	Name of Federal Program
Title I Cluster:	
84.010A	Title I Grants to Local Educational Agencies
84.389	ARRA - Title I Basic
State Fiscal Stabilization Fund Cluster:	
84.394	ARRA - State Fiscal Stabilization for State Aid
84.397	ARRA - State Fiscal Stabilization Government Services
Child Nutrition Cluster	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
84.388	ARRA - Title I School Improvement
84.410	ARRA - Education Jobs Fund
Head Start Cluster	
93.600	Head Start
93.708	ARRA - Head Start

Dollar threshold used to distinguish between type A and type B programs: \$1,718,073

Auditee qualified as low-risk auditee? Yes No

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011**

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Significant Deficiency in Internal Control

11-II-A

Finding: The District has an improper segregation of duties over cash receipts of the student activity funds at the schools.

Criteria: A significant deficiency is a control deficiency that adversely affects the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

Condition/Context: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to its completion. The bookkeepers or office managers at the various schools maintain the records and deposit the cash. The Business Office records the receipt in the system.

Effect: Misappropriation of assets could occur and not be detected in a timely manner.

Cause: A limited number of administrative personnel are available at the schools.

Recommendation: We recommend the collection, recording, reconciling and depositing of student activity cash basis be segregated.

Response and Corrective Action Plan: The District and its auditors recognize there are limited resources at the school level. An independent review of cash receipts is not always possible. Based on judgments made by management, the cost of implementing such a control would likely exceed the benefits derived. Other compensating controls are in place due to this limitation in resources. Pre-numbered cash receipts are issued for all money received by the school. Also, principals must review their building's monthly financial reports. The bank reconciliation process is performed by someone independent of the receipt process. The internal audit function periodically monitors the cash collection process at the school level with cash visits and exit audits. Those results are communicated to management.

B. Compliance Findings

None reported

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011**

III. Findings and Questioned Costs for Federal Awards

A. Significant Deficiencies in Administering Federal Awards

None reported

B. Instances of Noncompliance

11-III-A

**U.S. Department of Education
Passed Through Iowa Department of Education
Title I Cluster
Title I Grants to Local Educational Agencies
ARRA – Title I Basic
(CFDA 84.010A & 84.389) (Fiscal Years 2003, 2004, 2005, 2006, 2007, 2008, 2009,
2010, 2011)**

**U.S. Department of Education
Passed Through Iowa Department of Education
ARRA – Title I School Improvement
(CFDA 84.388) (Fiscal Year 2011)**

**U.S. Department of Education
Passed Through Iowa Department of Education
ARRA – Education Jobs Fund
(CFDA 84.410) (Fiscal Year 2011)**

Finding: The District has a system in place to document employee's federal time with semi-annual certifications or federal activity reports. However, the District was unable to provide documentation of Federal activity for multiple employees that were charged to the programs.

Criteria: The Office of Management and Budget Circular A-87 requires a distribution of salaries be supported by personnel activity reports or equivalent documentation for all employees who work for more than one cost objective and the documentation be signed by the employee. Also, the circular requires at least quarterly comparisons of actual cost to budgeted distributions be made and reflect adjustments as a result of actual activity performed.

Condition: The District was unable to produce semiannual certifications or federal activity reports of some of the fully funded and partially funded employees selected for testing. However, the District was able to provide other documentation that supported the salaries being charged to the programs.

Questioned Costs: None

Context: The District was unable to provide documentation of Federal activity for 9 out of 49 selections requested.

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011**

Effect: Improper payroll expenditures could be charged to the Federal program.

Cause: Documentation was not retained.

Recommendation: The District should review its procedures to ensure all Federal activity is properly documented and maintained.

Response and Corrective Action Plan: The District will communicate with site administrators that were unable to provide sufficient documentation for the certifications in question. The District will continue to selectively review sites via the internal audit department for adherence to procedures regarding federally funded employees.

11-III-B

**U.S. Department of Education
Passed Through Iowa Department of Education
Title 1 Cluster
Title I Grants to Local Educational Agencies
ARRA – Title 1 Basic
(CFDA 84.010A & 84.389) (Fiscal Year 2011)**

Finding: The District did not provide an allocation of Title I funds to a charter school that was established in the current year.

Criteria: The OMB Circular A-133 requires that a Local Area Educational Agency (LEA) must ensure that a charter school that opens for the first time or significantly expands its enrollment receives the funds under each covered program for which it is eligible.

Condition: The District did not ensure that a charter school that opened during fiscal year 2011 received the funds under each program for which it is eligible.

Questioned Costs: None

Context: One new charter school opened during the current fiscal year, and based on 2010-2011 school year enrollment figures, the District should have allocated \$10,185 in Title I funding to the charter school.

Effect: The charter school did not receive an appropriate allocation of funds for fiscal year 2011.

Cause: District was unaware of charter school requirements.

Recommendation: The District should provide the fiscal year 2011 allocation to the charter school and continue to provide funding for which the charter school is eligible in the future.

Response and Corrective Action Plan: Title I funding in the amount of \$10,185 has been set aside for use by the new charter school for the 2011-2012 school year. The accounting department will assure that appropriate Title I funding is assigned to the new charter school for subsequent school years.

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011**

IV. Other Findings Related to Required Statutory Requirements

11-IV-A – Certified Budget and General Fund Spending Authority: The District's certified budget was not in excess of spending authority. District expenditures did not exceed the certified budget.

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

11-IV-C – Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

11-IV-D – Business Transactions – No business transactions between the District and District officials or employees were noted.

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

11-IV-F – Board Minutes – Board minutes were properly published, signed off on and each member's vote was properly recorded.

11-IV-G – Certified Enrollment - No material variances in the basic enrollment data certified to the Department of Education was noted. However, the following was noted.

Finding: The District does not keep documentation supporting the number of foster care students reported as enrolled within the District unless they are special education foster care students.

Recommendation: The District is required to maintain instructions on file describing the procedures for tracking the number of foster care students, which includes communication with foster care facilities. Information from these facilities should be maintained in the file as supporting documentation.

Response and Corrective Action Plan: Due to confidentiality of foster care records, the District cannot properly identify and document foster care students enrolled in the District outside of Special Education instruction.

(Continued)

Des Moines Independent Community School District

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011**

11-IV-H – Supplementary Weighting – No material variances regarding the supplementary weighting certified to the Iowa Department of Education were noted. However, the following was noted.

Finding: The District's supporting documentation for supplementary weighting did not agree to the Project Easier and Certified Enrollment (PEACE) submitted to the Iowa Department of Education. This is based on documentation maintained by the District to support the supplementary weighting certified to the IDE for October 2009. The variances included a total increase in the supplementary weighting of 25.17.

Recommendation: The District should ensure that their system reconciles to the PEACE system for the number of students reported as certified enrollment. The Iowa Department of Management and Iowa Department of Education should be notified of the variances.

Response and Corrective Action Plan: The error was due to miscommunication between the Iowa Department of Education and the District. Regional academy students used to be entered by the IDE on the District's behalf prior to October 2009. The District did not discover that these students were not reported until after the end of fiscal year 2010. The District will work with the external auditors to communicate the correction to both the Iowa Department of Management and the Iowa Department of Education and to follow up on funding due to the increase in weighted enrollment.

11-IV-I – Deposits and Investments – The District's policy for deposits and investments is in compliance with the Code of Iowa, with the following exception:

Finding: The District held deposits and investments at two institutions in excess of the maximum amount authorized by the Board of Education.

Recommendation: The District should review its procedures to ensure it is in compliance with all board policies.

Response and Corrective Action Plan: The District will develop procedures to ensure that deposits and investments made with qualified depositories are within the limits authorized by the Board.

11-IV-J – Certified Annual Report – The Certified Annual Report (CAR) was filed with the Iowa Department of Education timely.

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

(Continued)

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011

11-IV-L – Statewide Sales, Services and Use Tax - No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2011, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		<u>\$ 75,038,997</u>
Local option sales tax		28,174,782
Earnings on investments		86,713
Other local and federal sources		1,561,792
Other local sources		<u>211,675</u>
		30,034,962
Expenditures/transfers out:		
School infrastructure:		
Land	\$ -	
Buildings	36,512,389	
Equipment	2,737,422	
Other improvements	4,284,733	
Debt service for school infrastructure:		
General obligation debt	-	
Revenue debt	5,953,500	49,488,044
Ending balance		<u><u>\$ 55,585,915</u></u>

For the year ended June 30, 2011, the District did not reduce any levies as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

(Continued)

Des Moines Independent Community School District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2011

11-IV-M – Deficit Balances – The Preschool Fund, Child Care Fund and Collage Fund had deficit balances as of June 30, 2011 of \$677,879, \$255,328 and \$77,962, respectively.

Finding: In the current and prior year, the Child Care Fund, Preschool Fund and Collage Fund have reported a deficit balance.

Recommendation: The District should continue to investigate alternatives to eliminate these deficits in order to return funds to a sound financial condition.

Response and Corrective Action Plan: Activities relating to preschool are no longer being accounted for as an enterprise fund. The state now provides free preschool to four year olds and program activities have been accounted for in the General Fund since fiscal year 2007. Therefore, the District plans to eliminate the remaining negative balance in the Preschool Enterprise Fund when the Child Care Enterprise Fund is able to absorb balance.

The District continues to analyze the Collage Fund's activities and have taken steps to reduce the negative fund balance.

Des Moines Independent Community School District

**Corrective Action Plan
Year Ended June 30, 2011**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
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Significant Deficiency in Internal Control:

11-II-A	The District does not have adequate segregation of duties needed over student activity funds at the schools.	See response and corrective action plan at 11-II-A.	June 30, 2012	Thomas Harper
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Instances of Noncompliance over Federal Awards

11-III-A	The District was unable to provide documentation of Federal activity for multiple employees that were charged to the program.	See response and corrective action plan at 11-III-A.	June 30, 2012	Scott Mikesh
11-III-B	The District did not provide an allocation of Title I funds to a new charter school.	See response and corrective action plan at 10-III-B.	June 30, 2012	Holly Crandell

Other Findings Related to Required Statutory Reporting

11-IV-G	Documentation to support the number of foster care students reported as enrolled is not maintained.	See response and corrective action plan at 11-IV-G.	June 30, 2012	Bryce Amos
11-IV-H	The District's supporting documentation for supplementary weighting did not agree to the amount certified to the IDE in October 2009.	See response and corrective action plan at 11-IV-H.	June 30, 2012	Bryce Amos
11-IV-I	The District held deposits and investments at two institutions in excess of the amount authorized by the Board of Education.	See response and corrective action plan at 11-IV-I.	June 30, 2012	Thomas Harper
11-IV-M	The Preschool Fund, Child Care Fund and Collage Fund had deficit balances as of June 30, 2011 of \$677,879, \$255,328 and \$77,962, respectively.	See response and corrective action plan at 11-IV-M.	June 30, 2012	Thomas Harper

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